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Daily Report
East Asia

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Trade Talks Statement, News Conference Reported

OW1109233094 Tokyo KYODO in English 2308 GMT 11 Sep 94

[By Antonio Kamiya]

[Text] Los Angeles, Sept. 11 KYODO—Four major trading powers vowed Sunday [11 September] to create a new world order in trade as they affirmed their commitment to get the World Trade Organization (WTO) off the ground and running by Jan. 1.

Ministers from Canada, the European Union (EU), Japan and the United States underlined the importance of "maintaining the momentum" to lower trade barriers after three days of informal discussions on a wide range of global trade issues.

The trade ministers—Mickey Kantor from the U.S., Ryutaro Hashimoto from Japan, Roy Maclaren from Canada and Leon Brittan from the EU—also issued a strong appeal to ratify the Uruguay Round global trade accord before the end of this year.

"We all accorded the highest priority to the rapid and effective implementation of the Uruguay Round and bring the world trade organization in operation on Jan. 1, 1995," Kantor said in the concluding statement of the quad talks.

"We are all committed to achieving this result," the statement said.

The WTO, an integral part of the Uruguay Round accord, is slated to replace the Secretariat of the General Agreement on Tariffs and Trade (GATT) when the GATT accord goes into force.

The ministers also said they spent three days in "free-ranging and informal" discussions on how to remove trade barriers in areas left untouched in the Uruguay Round of trade talks that ended in December last year.

Among the sectors of "unfinished business" addressed by the ministers are: Financial and other sectors of services trade, telecommunications and high technology, regulatory reform, mutual recognition of standards, cross-border investments, and other market-access issues.

There was, however, no agreement on how to pursue these trade goals, with Kantor stressing that it wasn't their job to hammer out a trade deal in Los Angeles.

"These are informal talks. The quad has always played a steering role and we'll continue to do so," Kantor said at a joint news conference held after the third and final session of discussion Sunday.

Brittan, who appeared at the joint news conference, said that countries in Southeast Asia should open up their financial markets for foreign competition as they become more developed in their economic structure.

"It is reasonable for them to make those offers," Brittan said.

On China's and Russia's bid to join the WTO, the ministers expressed support for their membership but no indication when their applications will be accepted.

China and Russia are among 21 countries that have expressed strong interest in joining the new global trading regime.

"There is substantial work ahead in completing these and the many other important accession negotiations," the quad ministers said.

Touching specifically on China's bid to become a founding member of the WTO, the ministers said China's membership must be based on a "mutually acceptable balance of rights and obligations."

Brittan indicated China is facing an uphill struggle in its WTO membership negotiations which he predicted "will be difficult but not impossible."

While the four ministers, who represent countries that together account for roughly 70 percent of the world trade, insisted they have no intention of dictating trade rules to the rest of the world, they did little to hide their ambitions.

"What we have been talking about in the quad today really relates to the creation of a new world order in trade," Brittan said.

In addition, the four ministers vowed to continue the quad's "constructive role in maintaining the momentum for trade liberalization around the world."

At the joint news conference Sunday, Kantor also indicated that the U.S. will pursue further global market-opening efforts but will not insist to associate those efforts under the "Open Market 2000" initiative that was shot down at the recent Group of Seven summit in Naples, Italy.

"We don't have to put any label on it. I don't think that is either important or helpful," he said.

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APEC To Declare Trade Liberalization in Nov

OW0709231094 Tokyo MAINICHI SHIMBUN in Japanese 7 Sep 94 Morning Edition p 9

[Text] The Asia-Pacific Economic Cooperation ministerial conference (APEC) is going to adopt a "declaration on liberalization of trade and investments" in November. A senior official of the Ministry of International Trade and Industry said on 6 September that the declaration will be adopted at the upcoming APEC ministerial and informal summit talks in Indonesia.

It appears the APEC is aiming at further economic growth in the Asia-Pacific region by accelerating trade and investment liberalization in line with the conclusion of the GATT multilateral trade negotiations (Uruguay Round) in 1993. The issue is likely to become the focal point at the upcoming APEC conference.

Earlier, the APEC eminent persons' conference advocated intra-regional trade liberalization. An advisory report by the conference said all member nations, including developing nations, should start trade liberalization programs by the year 2000, and those programs should be completed by 2020. APEC is planning the declaration on the liberalization of trade and investments in line with the advisory report. At the present, 17 APEC members are finalizing terms of the declaration.

APEC Committee Adopts Investment Policies

OW1009171794 Tokyo KYODO in English 1453 GMT 10 Sep 94

[Text] Jogjakarta, Indonesia, Sept. 10 KYODO—An Asia-Pacific Economic Cooperation (APEC) forum committee agreed Saturday [10 September] on draft proposals for more liberalized investment policies in the region.

Before completing two days of talks earlier in the day, the committee reached basic agreement on 12 principles for foreign investments in the Asia-Pacific area.

A draft agreement on the principles obtained by Kyodo News Service called for more investments to spur further economic development in the area.

To achieve this, the agreement urged APEC members to adopt nondiscriminatory principles for foreign investments such as the "most-favored-nation" principle and that of "national treatment"—two important obligations under the General Agreement on Tariffs and Trade.

The most-favored-nation obligation calls for a contracting party to grant to every other contracting party the same favorable treatment it gives to any country with regard to trade and investment.

The other obligation, national treatment, is to treat foreign goods or investments equally to domestic ones once the foreign goods clear customs or the foreign investments are accepted.

Also urged is transparency in investment laws in APEC members and solving disputes over foreign investments through discussions between the concerned parties or mediation.

The principles, originally put forward by Australia, are unbinding but some member states, such as China, want to water them down, while the United States wants to make them more compulsory.

After getting a final go-ahead by the committee, the principles will be adopted by APEC leaders at their unofficial summit meeting scheduled for mid-November in Indonesia.

APEC groups the U.S., Canada, Mexico, Japan, China, South Korea, Hong Kong, Australia, New Zealand, Papua New Guinea, Taiwan and the six-member Association of Southeast Asian Nations.

Tokyo Initiative Sought on Li's Visit to Japan

OW1209065794 Tokyo KYODO in English 0634 GMT 12 Sep 94

[Text] Fukuoka, Sept. 12 KYODO—The deputy head of Taiwan's Hiroshima Asian games delegation has said Japan should take action on its own to solve the pending invitation of Taiwan President Li Teng-hui to the games' opening ceremony.

Speaking before a group of reporters here Sunday [11 September] night, Chuang Tsun-che, a director of the Chinese Taipei Olympic Committee, expressed his desire to see Li at the opening ceremony at all costs.

Asked about a possible reaction of Taiwan in case Li was barred from the games, Chuang said China would suffer internationally if it is to bid for the 2004 summer Olympics.

Olympic Council of Asia President Ahmad al-Fahd sent an invitation to Li in July to attend the Asian Games opening ceremony and Chinese officials have threatened to withdraw from the games should Li attend.

Japan has maintained a "one-China" policy since it reestablished diplomatic ties with Beijing and severed official links with Taiwan in 1972, limiting contacts with Taiwan to nongovernmental economic and private-sector levels.

For its part, Beijing does not recognize Taiwan as a national entity, regarding it as a renegade Chinese province.

Meanwhile, the Taiwanese delegation is expected to enter Hiroshima directly from Kaohsiung via a chartered flight, according to Chuang.

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Japan

Hashimoto Rejects U.S. Demand, Managed Trade

OW1009024594 Tokyo KYODO in English 0234 GMT 10 Sep 94

[Text] Los Angeles, Sept. 9 KYODO—Japan's International Trade and Industry Minister Ryutaro Hashimoto on Friday [9 September] sharply rebutted U.S. calls for targets to measure progress in market-opening which he said would lead to managed trade.

Hashimoto urged the U.S. Government to "recognize that Japan is doing its best in its economic reforms and stop insisting that Japan commit itself to a target which would, in effect, lead to managed trade."

The trade minister made the remark in a speech before meeting his counterparts from the European Union, Canada and the United States for a quadrilateral gathering to discuss global trade.

The "framework" talks between Japan and the U.S. have become bogged down, with one of the main sticking points being differences over the U.S. call for yardsticks to show tangible and measurable results in Japan's market-opening efforts.

Hashimoto expressed dissatisfaction about the deep-rooted sense on the U.S. side that Japan does not import enough, stressing the growing openness of Japanese markets in the speech dubbed "the birth of a new Japan."

"If the Americans are becoming frustrated—even exasperated—that Japan never changes, the Japanese are becoming equally frustrated by the sense that Japan is changing, but the United States continues its pressure, demanding concessions."

Regretting the growing sense of distrust and frustration between the two countries, Hashimoto also urged the U.S. to renew the recognition that both nations are basically market economies.

"Japan is promoting deregulation and improving transparency and market access. Yet the United States seems to continue to count on the Japanese Government's ability to intervene with and influence the market," Hashimoto said.

Hashimoto suggested the insurance talks, one of the priority areas under the framework negotiations, can be concluded by the end of the month, the deadline set by the U.S. for progress in the talks, with a threat of sanctions if no agreement is reached.

He said American newspapers may be correct in reporting that the insurance talks, which have been almost settled, are falling short of final conclusion because of the U.S. stance against settling the insurance issue separately from the other two areas—autos and auto parts, and government procurement.

Hashimoto also said Japan has proposed a partial agreement of the auto and auto-parts area, saying, "I and U.S. Commerce Secretary (Ron) Brown are each looking for the quickest way to settle it, considering where to start."

As for government procurement, Hashimoto said, "there remains a gap to be filled."

Regarding flat-glass trade, in which Japan is deemed highly likely to be branded as engaging in unfair trade practices and subject to retaliation under the "Super 301" clause of U.S. trade laws, Hashimoto said the issue can be settled through discussion.

Hashimoto, EU's Brittan Talk

OW1109035094 Tokyo KYODO in English 0227 GMT 11 Sep 94

[Text] Los Angeles, Sept. 10 KYODO—The European Union on Saturday [11 September] warned Japan against harming European interests as Tokyo seeks to mend its strained trade ties with the United States.

Japanese officials said Leon Brittan, European commissioner for trade policy, delivered the blunt warning in a meeting with Japan's International Trade and Industry Minister Ryutaro Hashimoto.

Brittan, according to Japanese officials, reminded Hashimoto that he has been critical of "managed trade" and has called for a "constructive approach" in the EU's trade relations with Japan.

If Japan concludes a trade agreement with the U.S. that harms European interests, "it would difficult for me" to uphold the current position, Brittan was quoted as telling Hashimoto.

Brittan's warning came as Japan and the U.S. stepped up high-level bilateral trade talks in Los Angeles in a bid to hammer out an agreement in the framework trade talks and avert possible U.S. trade sanctions.

The issues covered under the framework talks include autos and auto parts, insurance business and Japanese Government procurement of telecommunications and medical equipment, all areas of interest to European firms.

"We are an interested outsider," an EU spokesman said.

The EU official said the European Union has no intention of "interfering" with U.S.-Japan trade talks but "anything agreed between them should be opened to all."

Hashimoto assured Brittan that benefits from any trade deal between Japan and the U.S. will be extended to all countries under the "most-favored-nation" (MFN) principle provided under the U.S.- Japan framework accord, Japanese officials said.

Hashimoto and Brittan were in Los Angeles for "quadrilateral" trade talks with their counterparts from the U.S. and Canada.

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Concludes Talks, Leaves for Japan

OW1209011594 Tokyo KYODO in English 0043 GMT 12 Sep 94

[Text] Los Angeles, Sept. 11 KYODO—Japanese International Trade and Industry Minister Ryutaro Hashimoto left here Sunday [11 September] for Japan, winding up a series of trade talks in the United States.

Hashimoto attended a quadrilateral trade ministerial conference among Japan, the U.S., Canada and the European Union, which was held in Los Angeles for three days from Friday.

Earlier that week, Hashimoto met with U.S. Trade Representative Mickey Kantor and U.S. Commerce Secretary Ron Brown in Washington in a search of breakthrough in the stalled trade "framework" talks with the U.S.

The trade minister will arrive in Tokyo on Monday afternoon.

'At Least' Partial Accord Possible in Trade Talks

OW1209061394 Tokyo KYODO in English 0556 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—Foreign Minister Yohei Kono suggested Monday [12 September] that Japan aims to reach at least a partial agreement in its "framework" trade talks with the United States before the Sept. 30 deadline for possible sanctions, government officials said.

Kono made the remark in reporting the outcome of his talks with U.S. officials, including Trade Representative Mickey Kantor, at a liaison meeting among leaders of the ruling coalition parties, the officials said.

The Japan-U.S. framework trade talks concern three priority areas—Japan's government procurement of telecommunications and medical equipment, opening of Japan's insurance market and auto and auto parts trade.

Kono was quoted as saying it may not be possible to arrive at an overall agreement in all three areas but the government aims to lay the groundwork for a comprehensive settlement by the end of this month.

The officials said Kono's statement suggested Japan will not insist on a comprehensive agreement and seek at least a partial accord on the three issues.

Disharmony Among Ministries Noted

OW1209031694 Tokyo YOMIURI SHIMBUN in Japanese 10 Sep 94 Morning Edition p 7

[By reporter Masakazu Nosaka]

[Text] Los Angeles, 9 Sep—Much attention has been drawn to the level of teamwork within the Japanese Government regarding the "draft partial agreement" which has emerged as a possible solution to help break the deadlocked Japanese-U.S. framework trade talks.

In his meeting with U.S. trade Representative Mickey Kantor on 7 September, Ryutaro Hashimoto, minister of international trade and industry, proposed: "Let us build up from what can be agreed on." A top official at the Ministry of International Trade and Industry [MITI] has explained: "The U.S. Government has approved this idea. Apparently, it desperately wants to wrap up negotiations over government procurement and insurance services."

However, Foreign Minister Yohei Kono, who met Kantor on 8 September, made a conflicting remark, saying: "We are not yet at a stage where we can make any announcements to the public."

While MITI wants to put off settling trade negotiations over automobiles and auto parts, the Ministry of Foreign Affairs [MOFA] is cautious about being forced to make major concessions regarding government procurement. Rather, it wants to hook up the automobiles and auto parts sector with the government procurement sector in the final round of trade negotiations at the end of September. The Ministry of Finance [MOF], which is in charge of negotiations over insurance services, has apparently adjusted the pace of its negotiations, taking into account such ongoing maneuvers.

Government ministries and agencies at Kasumigaseki [a district in Tokyo where government ministries and agencies are located] have a tendency to put their own interests before the interests of the nation. Regarding the framework trade talks, however, Japan has been able to conduct negotiations with the United States for a long time through a "firm troika alliance among MOFA, MITI, and the MOF" (as stated by a Japanese Government negotiating team source). This alliance has been considered the prime factor enabling Japan to display such an unusual perseverance in trade negotiations with the United States.

However, there are only three more weeks until the end of September, when, among other things, the United States will impose punitive measures against Japan. Should Japanese negotiators now decide to place the interests of their respective ministries before the interests of the nation, it would become increasingly possible that, at the final moment, Japan would have to relinquish the upper hand to the United States, which has been unable to come up with a decisive hand in its offensive against Japan in the bilateral trade negotiations. Although MITI officials even hope for a partial agreement in the automobiles and auto parts sector, there have been voices leaking from some quarters of the Japanese Government, saying: "The United States is actually showing reluctance" (as stated by a concerned source). Thus, the United States is simply sitting back, waiting for the troika alliance to collapse.

'Partial Accord' Explained

OW1009094394 Tokyo NIHON KEIZAI SHIMBUN in Japanese 9 Sep 94 Morning Edition p 5

[Article by Koya Shimizu of NIHON KEIZAI SHIMBUN Washington Bureau: "Negotiations in Economic Framework Talks Coming To a Close"]

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MITI Minister's 'Partial Agreement' Proposal [subhead]

The draft of the so-called "partial agreement" proposal, presented to the United States in the Japan-U.S. economic consultations by Ryutaro Hashimoto, minister of international trade and industry, appears very much a desperate tactic intended to preclude U.S. sanctions on automobiles and auto parts.

It appears that neither the Ministry of International Trade and Industry [MITI] nor the minister himself wanted to be left out of the talks right now as agreement on two of the three priority areas—insurance and government procurement (government purchases of telecommunications and medical equipment)—is said to be close at hand. The U.S. Government, which still wants to extract substantial concessions from Japan in the area of automobiles and auto parts, looks perplexed by the proposal. As such, it is not clear whether things will go as the MITI minister intends.

Minister Hashimoto's proposal is made up of two parts. One proposes to proceed with negotiations in a phased way, arriving at agreements one by one in the individual sectors of insurance, government procurement, and autos and auto parts as talks make progress. U.S. Trade Representative (USTR) Mickey Kantor and his people have accepted this part of the proposal.

The problem lies with the other part. Here, Hashimoto proposes to "settle" whatever parts they can agree on in each of the three priority areas. There is no doubt that he had the autos and auto parts sector in mind when making this proposal.

In fact, the MITI minister appears to have asked Commerce Secretary Ron Brown, who is in charge of negotiations on autos and auto parts, if he "could not conclude the talks by making an agreement on auto parts only this time."

The reason is that MITI does not want the United States jumping to the conclusion that Japan has engaged in unfair acts under the U.S. Omnibus Trade Act's Super 301 provision (assessment of and sanctions against unfair trade acts and countries engaged in such acts) and taking steps to impose sanctions at the end of September. The areas of the Japanese market which the United States could conclude are "unfair" at the end of September are autos and auto parts among the priority issues and the sheet glass industry among the non-priority issues. Both come under the jurisdiction of MITI.

However, it is not likely that the private sector will unilaterally decide to increase imports of automobiles, auto parts, and sheet glass. Consequently, it is difficult to know if Japan is capable of coming up with a proposal that would satisfy the United States by the end of September.

The only alternative is to try to tide over the crisis by hinting at the possibility of the Japanese Government exerting pressure on Japanese companies to use more of the auto parts that the United States wants Japan to buy.

That is the background to the second part of the proposal—talks to agree on the auto parts issue only and calling for a meeting of specialists for the purpose.

A U.S. official, however, expressed puzzlement. He said: "We are not even near the end of September. We cannot say yes to a partial agreement when we have several weeks left yet."

That reaction does not allow us to make any sort of prediction about whether the seed sown by the MITI minister will bear fruit.

United State's True Intentions in Government Procurement Sector Talks

The true intentions of the United States in the government procurement sector negotiations lie in persuading Japanese Government offices and agencies to buy U.S.-made products—mostly expensive items costing several hundred million yen each. Items include such high-tech medical equipment as magnetic resonance imagers (MRI) and digital telephone exchange equipment.

Ostensibly, the United States stand is: "The purpose of the talks is to discuss ways to improve procurement procedures and set objective criteria, not to call for the purchase of certain individual products."

We have looked into the arguments of the United States and at what is going on behind the scenes at the talks. We provide a summary of our findings below:

Medical Equipment: The industry says there are about 10 medical products which the United States wants Japan to buy from overseas sources. They include, besides MRI's which are used to scan tumors in the body, computerized tomography (CT) machines, heart pacemakers, and such relatively inexpensive products as catheters (tubes for use in intravenous injections), and suture tools. The United States wants Japan's state-run hospitals and laboratories to buy them.

As far as the MRI is concerned, there are four companies in Japan producing them at present—Toshiba Corp., Hitachi Ltd., Shimadzu Corp., and a joint venture between the United States' General Electric and Japan's Yokogawa Electric Corp.—which between them hold about 80 percent of the market. An official of a state-run hospital in Tokyo said: "The performance of U.S.- made machines is good, but good after-sales service is essential for this type of machine, and that is why hospitals tend to be uneasy about using U.S.-made machines."

The United States has more than 30 companies producing MRI. It will be difficult for them to get into the market individually.

Foreign-made medical equipment procured by the Japanese Government runs to about 40 percent at present, while foreign-made products purchased by the U.S. Government amount to no more than 1.5 percent in all. The Ministry of Health and Welfare thinks Japan point this out to the United States and ask it not to "ask for more."

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However, according to the Ministry of Foreign Affairs [MOFA], "the United States does not even want to debate such a matter" as it continues the government-level talks.

And according to a MITI official: "U.S. officials keep on talking about things that have nothing to do with their real intention, which is to sell high-value products." The official said one example was the request that Japan lower floor prices for government biddings opened to foreign firms.

Telecommunications Equipment: The total amount of telecommunications equipment procured annually by Japanese Government offices and agencies runs to about 70 billion yen. Most of the equipment is small radio equipment for use by police or river control systems, and their per-unit price is low. On the other hand, procurements by Nippon Telegraph and Telephone Corporation (NTT) run to 700 billion yen or 10 times what government offices and agencies buy. NTT buys rows of expensive products such as high-tech communications exchange machines for its telephone offices. According to the Ministry of Posts and Telecommunications [MOPT] the United States' real target is NTT, and its "interest in the government procurement area itself is small."

MOFA says the reason why the talks on telecommunications and medical equipment are proceeding at the same pace is: "The United States wants to run the separate negotiations with NTT on procurements to its advantage, helped by an agreement on government procurements."

The Japanese Government had succeeded in taking NTT procurement out of the overall economic framework talks on the grounds that it was a private corporation and not a government agency.

According to the MOPT, however: "There has not been an iota of change in the United States' intention to have NTT buy U.S. products somehow."

Kono on Hopes for Trade Accord by End of Sep

OW1009000894 Tokyo KYODO in English 2332 GMT 9 Sep 94

[by Antonio Kamiya]

[Text] Los Angeles, Sept. 9 KYODO—Senior Japanese and U.S. officials resumed trade talks on Japan's government procurement practices and insurance business Friday as Japan held out hopes for a settlement prior to a U.S.-imposed Sept. 30 deadline.

Japanese Foreign Minister Yohei Kono, who had lengthy discussions with U.S. Trade Representative Mickey Kantor on Thursday, said Friday he felt both sides want to hammer out an agreement before the end of the month.

"My impression is that the American side really wants a negotiated settlement," Kono said of his meeting with Kantor.

The trade stand-off between Japan and the United States—the culmination of more than 14 months of futile negotiations—overshadows a quadrilateral meeting on global trade issues opening Saturday in Los Angeles.

Kono, who arrived in Los Angeles on Wednesday, spent nearly three hours—including a 50-minute tete-a-tete—with Kantor Thursday in a bid to give political momentum to the stalled trade talks.

In a meeting with Japanese reporters Friday morning, Kono said he felt he could now "talk straight" with Kantor following Thursday's meeting.

Kono said he and Kantor covered "fine points" in their discussions, but declined to divulge further details, saying both sides have agreed not to say anything while negotiations are still in progress.

Japan's Deputy Foreign Minister Sadayuki Hayashi and Deputy U.S. Trade Representative Charlene Barshefsky—the two lead negotiators involved in the government procurement dispute—resumed talks Friday morning for expected two days of marathon negotiations.

Speaking to reporters before disappearing into the day's first closed-door session, Hayashi said the two sides will initially cover "procedural matters" on Japanese Government procurement in telecommunications and medical devices.

This is a reference to complex issues on such matters as easing bidding regulations and allowing foreign firms to compete for more Japanese Government orders by lowering the minimum value of equipment to be procured, as the U.S. has requested.

Another hurdle, which has stalled the trade talks over the past year, involves "objective criteria" for measuring the access of foreign goods in Japan.

Parallel to the procurement talks, Japanese and U.S. negotiators also resumed a separate set of negotiations on how to boost foreign penetration of Japan's insurance market, which traditionally has been dominated by domestic firms.

Also at issue is a U.S. demand for greater access to Japan's auto and auto-parts market. Negotiations in this sector are set to begin next week in Tokyo.

Frustrated by months of fruitless negotiations, Washington has set Sept. 30 as the deadline for the two countries work out an agreement in the government procurement dispute, otherwise it will begin the process of imposing sanctions against Japan.

Also, the U.S. Government is due to announce by the same date whether to consider sanctions against countries it judges to be engaged in unfair foreign trade practices, under the "Super 301" provision of U.S. trade laws.

The U.S. Administration is under pressure from congress to use the "Super 301" trade tool to force the issue over Japan's auto trade, which accounts for the bulk of the huge deficit—59 billion dollars last year—the U.S. runs with Japan.

As Japanese officials have indicated that the two sides are closer to an agreement on government procurement and

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insurance than the automobile sector, there has been widespread speculation that the two countries may strike a partial deal by the end of the month, leaving autos for further negotiation.

Adding fuel to the speculation is the likelihood of a meeting between president Bill Clinton and Kono when the Japanese foreign minister returns to the U.S. later this month for the annual UN General Assembly session.

In his news conference Friday, Kono sought to play down the notion of a partial accord, saying "we have to consider the overall situation" before making a decision.

Kono also said he does not know "officially" whether he will meet Clinton but said he will likely meet with Kantor again on his return visit to the U.S.

At the root of these trade rows lies the chronic Japanese trade surplus and U.S. allegations that Japan shuts its high-tech markets to competitive foreign products.

Japan's International Trade and Industry Minister Ryutaro Hashimoto, who will be joining Kono in the quadrilateral trade conference among Canada, the European Union, Japan and the U.S., rejected those allegations in a speech in Los Angeles on Friday.

Hashimoto argued that changes are sweeping Japan and Japanese markets are no longer as closed as Americans think they are.

Using his own family by way of illustration, Hashimoto said two of his three children with their own personal computers have bought U.S.-made models.

"My youngest child, a 6th grader, will be soon be asking me to buy a personal computer—but I can't guarantee that her choice won't be an American brand, even though I am minister of international trade and industry," he said.

Kono, Kantor Exchange Views

OW1009234694 Tokyo KYODO in English 2331 GMT 10 Sep 94

[By Antonio Kamiya]

[Text] Los Angeles, Sept. 10 KYODO—Japan's Deputy Premier and Foreign Minister Yohei Kono met with U.S. Trade Representative Mickey Kantor for the second time in three days Saturday [10 September] as the two countries struggled to resolve nagging trade disputes and avert possible U.S. sanctions.

Kantor later told reporters "we had a very good meeting this morning" and declined to divulge any further details except to say they will have another "follow-up" meeting later this month.

Japanese officials said Kono proposed the hastily arranged meeting Saturday morning which took place shortly before the two ministers were due to attend international trade talks with Canada and the European Union.

"They exchanged views earnestly," a spokesman for Kono said of the meeting, a 30-minute one-on-one session which Japanese officials said was arranged late Friday night.

Japanese officials said the meeting focused on Japanese Government procurement practices, one of the three priority areas in the "framework" trade talks.

Like the American side, Japanese officials were tight-lipped about the surprise second round of talks between Kantor and Kono.

Kono, who had a lengthy discussion with Kantor over the public- sector procurement issue on Thursday, told reporters on Friday that he didn't expect to hold another bilateral session with Kantor again while in Los Angeles "unless there is dramatic development" in the stalled trade negotiations.

Kono, who headed back to Japan Saturday after attending a morning session of the "quadrilateral" trade conference, declined to answer questions about secrecy-shrouded meeting with Kantor Saturday morning.

The series of top-level contacts came as trade negotiators from the two countries struggled to put together an agreement prior to a U.S.-imposed Sept. 30 deadline.

Japanese officials said trade experts from two countries met in Los Angeles Saturday "for clarification" on a new set of proposals on government procurement practices which Japan put to the U.S. on Friday.

Officials from the two countries were also holding parallel talks in Los Angeles on the insurance business sector, while auto trade talks are set to begin in Tokyo next week.

Frustrated by lack of progress after more than 14 months of talks, Washington has given Tokyo until the end of this month to work out an agreement on government procurement practices or face U.S. trade sanctions.

Also, Washington is set to decide by Sept. 30 whether to initiate "Super 301" trade negotiations with Japan over other trade sectors under the threat of trade sanctions.

"Super 301" refers to a section of the 1988 U.S. trade laws which allow the U.S. to impose sanctions on other foreign countries accused of unfair trade practices.

Among the Japanese market sectors subject to possible "Super 301" action are auto trade and insurance business, the two other priority areas in the framework trade talks.

Japanese officials said the follow-up meeting between Kono and Kantor is likely to take place around Sept. 22-23. Kono is scheduled to travel to Washington on his way to New York to attend the annual UN General Assembly Session.

President Bill Clinton will also meet with Kono during his return trip to the United States later in September, U.S. Ambassador to Japan Walter Mondale told reporters earlier this week.

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The likelihood of a meeting between Clinton and Kono has heightened speculation that the two countries are close to a deal on the framework negotiations.

Japanese officials, too, have made no attempt to dispel the notion.

"The scenario is to get an agreement by the time the foreign minister goes to Washington," said a Japanese official involved in the protracted trade talks.

One big question mark, however, surrounds the issue whether the U.S. is willing to accept a partial agreement that covers some of the areas covered in the "framework" trade talks.

Japan's International Trade and Industry Minister Ryutaro Hashimoto suggested Friday that an accord is imminent in the insurance sector and Japan wants to settle its trade disputes with Washington "wherever possible."

The U.S. side, however, has been cautious about the idea of accepting a partial agreement, with Kantor insisting that "nothing has been removed off the agenda."

Hayashi on 'Constructive' Procurement Talks

OW1109041094 Tokyo KYODO in English 0356 GMT 11 Sep 94

[Text] Los Angeles, Sept. 10 KYODO—Japan and the United States on Saturday [10 September] failed to narrow differences over major sticking points in ongoing trade "framework" talks on Tokyo's government procurement practices, Japanese officials said.

Japan's Deputy Foreign Minister Sadayuki Hayashi and Deputy U.S. Trade Representative Charlene Barshefsky discussed the two issues involving public procurement of telecom and medical equipment—improvement of Japan's auction system in awarding government contracts and the definition of "objective criteria" as a tool to gauge the openness of Japanese markets.

The subcabinet-level talks were resumed Friday as a follow-up to higher ministerial meetings held here earlier this week between U.S. Trade Representative Mickey Kantor and two Japanese ministers—International Trade and Industry Minister Ryutaro Hashimoto and Foreign Minister Yohei Kono.

Those meetings produced no major breakthrough.

Emerging from his 60-minute session with Barshefsky, Hayashi told reporters, "the talks were constructive," but declined to comment further.

The officials said the two parties agreed to another meeting on Sunday.

Framework talks on ways to expand Japan's insurance markets have also been under way on a working-level basis in this U.S. city since Friday.

Meanwhile, quadrilateral trade ministerial talks between the U.S., Japan, Canada and the European Union have been going on here since Friday for a three-day run.

Government procurement and insurance are among the priority sectors of the bilateral framework talks along with trade in autos and auto parts.

'Some Progress' Made

OW1209070594 Tokyo KYODO in English 0644 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—Japan and the United States have made some progress in their latest "framework" trade talks on ways to expand foreign access to Japan's government procurement market, a senior Japanese Trade Ministry official said Monday [12 September].

Wrapping up a series of trade talks in the U.S. last week, Hideaki Kumano, vice minister of international trade and industry, said, "We did more than just exchange words."

Without leaning toward pessimism or optimism, both parties should make further efforts to settle the issue before the Sept. 30 deadline imposed by the U.S. for possible sanctions, Kumano told a press conference.

Last week, Japan's Deputy Foreign Minister Sadayuki Hayashi and Deputy U.S. Trade Representative Charlene Barshefsky, the two leading negotiators in the public procurement trade talks, met in Washington.

Japanese Deputy Prime Minister and Foreign Minister Yohei Kono and U.S. Trade Representative Mickey Kantor also held talks on the same issue when they were in Los Angeles to attend a three-day quadrilateral trade ministerial conference among Japan, the U.S., Canada and the European Union from Friday.

Both parties had been tight-lipped about the content of the talks except to say that the meetings were "constructive."

Kumano said Japan and the U.S. will seek further progress in subcabinet and ministerial level meetings slated for late September.

On auto trade talks with Washington, Kumano said Japan will "maximize its efforts" for an early settlement of the issue although it appears "very difficult" to do so.

He said both parties will have "substantive discussions" in the working-level auto talks that started in Tokyo on Monday for a three-day run.

Tokyo is reported to offer compromise plans, including relaxation of rules on replenishment of vital auto parts such as brakes and clutches, in the working-level talks.

The ongoing discussions will be followed up by a meeting between Sozaburo Okamatsu, vice minister of international trade and industry for international affairs, and Jeffrey Garten, U.S. undersecretary of commerce for international trade, to be held in Washington in late September, Kumano said.

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Both government procurement and auto trade are among the priority sectors of the trade framework talks, along with insurance.

The two countries are reported to be closer to an agreement on government procurement and insurance than trade in autos and auto parts.

Speculation has arisen that the two countries may strike a partial deal in the framework talks by the end of this month, pursuing solutions to public procurement and insurance while leaving autos for further negotiations.

'Sign of Hope' Seen in L.A. Framework Talks

OW1109113194 Tokyo KYODO in English 1100 GMT 11 Sep 94

[By Antonio Kamiya]

[Text] Los Angeles, Sept. 10 KYODO—The United States and Japan set the stage Saturday [10 September] for a final push to a trade truce later this month by agreeing to hold top-level talks one week prior to the threatened activation of U.S. trade sanctions.

While neither side appears to be sure of the outcome, public remarks by senior Japanese and U.S. officials Saturday suggested that both countries are willing to strike a deal and avoid a potential trade war between the world's two largest economies.

At stake is the issue of market access for U.S. firms to Japan's government procurement in telecommunications and medical devices, and the Japanese automobile and insurance industry.

Frustrated by more than 14 months of futile negotiations, Washington has given Tokyo until Sept. 30 to work out an agreement or face U.S. trade sanctions.

The first, tentative sign of a possible compromise came after a hastily arranged meeting that took place early Saturday morning between Japan's Foreign Minister Yohei Kono and U.S. Trade Representative Mickey Kantor.

"We had a very good meeting this morning," Kantor later told reporters. "We obviously continue to talk. There are a number of details to review but I would describe them (the trade talks) as constructive at this point."

Kantor said he also agreed to meet Kono again when the Japanese foreign minister returns to the U.S. later this month—possibly around Sept. 22-23—to attend the annual UN General Assembly session.

Parallel to the top-level contacts, trade negotiators from the two countries also held a flurry of meetings in Los Angeles to handle the nitty gritty aspects of "framework" negotiations.

Japan's Deputy Foreign Minister Sadayuki Hayashi and deputy U.S. Trade Representative Charlene Barshefsky—the two lead negotiators on the procurement issue—held talks for the second straight day Saturday to work on fresh Japanese proposals.

The two sides later described their hour-long meeting as "constructive" and said they will meet again Sunday.

Trade experts from the two countries also held separate talks in Los Angeles on the insurance business sector. Auto trade talks are set to begin in Tokyo next week.

Japanese officials declined to assess whether these encounters are producing real progress but said they saw signs of hope.

"I can now see some faint light at the end the tunnel," said a Japanese official traveling with Japan's International Trade and Industry Minister Ryutaro Hashimoto.

Both Hashimoto and Kono were in Los Angeles to attend "quadrilateral" trade talks with Kantor and their counterparts from Canada and the European Union.

A senior Japanese Foreign Ministry official traveling with Kono said he feels the U.S. "appears more earnest now" to strike a deal than in late July when trade talks on Japanese Government procurement practices.

Japanese officials, however, also cautioned against undue expectations of an imminent breakthrough.

"Our positions haven't merged yet," said the senior Japanese Foreign Ministry official, who spoke to reporters on condition of anonymity. "It would be difficult to have a deal if there is a gap."

The biggest sticking point, both Japanese and U.S. officials say, lies with the question of how to set "objective criteria" for measuring the access and sale of foreign goods to Japan, an undertaking accepted by the two countries when they launched the framework trade talks in July 1993.

Under that agreement, Japan is committed to increase by "substantial" amount the import of "competitive" foreign goods as part of its effort to pare down its enormous trade surplus, which came to 130 billion dollars last year.

The battle over the exact meaning of those commitments has stymied the framework trade talks and strained bilateral trade ties.

While the U.S. accuses Japan of failing to "live up" to its commitments under the framework accord, the Japanese charge that Washington wants to twist the meaning of "objective criteria" in such a way that would require the Japanese Government to guarantee the sale of foreign goods in Japan.

U.S. To Discuss NTT in Tokyo

OW1009093794 Tokyo KYODO in English 0918 GMT 10 Sep 94

[Text] Tokyo, Sept. 10 KYODO—Japan and the United States will hold two-day working-level talks on the procurement practices of Nippon Telegraph and Telephone Corp. (NTT) in Tokyo next week, government sources said Saturday [10 Sep].

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Ira Wolf, assistant U.S. Trade Representative to Japan and China, will represent the U.S. side at the talks starting Tuesday.

A senior official of the Posts and Telecommunications Ministry said Tokyo is determined to settle the issue of NTT's procurement practices by the end of this month, taking into account progress in ongoing bilateral talks on Japanese Government procurement of telecommunications and medical equipment.

Bilateral talks on NTT procurement practices have been held along with "framework" talks, in which autos and auto parts, insurance and government procurement of telecommunications and medical equipment are being taken up.

The U.S. at first demanded the issue of NTT's procurement practices be included in the framework talks, but Japan rejected it on the grounds that NTT is now a private concern and therefore not suitable for inclusion in the talks.

Former MOF Official Discusses Framework Talks

942A0682A Tokyo ASAHI SHIMBUN in Japanese 4 Sep 94 p 7

[Interview with Makoto Utsumi, former minister at the Japanese Embassy in Washington, D.C., and MOF International Finance Bureau director general, currently professor at Keio University, by unidentified ASAHI SHIMBUN interviewer; place and date not given]

[Text] *New economic talks between Japan and the United States are at a standstill. It is a case where a compromise cannot be reached between the United States, which seeks "objective criteria" for measuring a steady expansion in imports, and Japan, which insists that it "cannot make promises about the future." The United States has hinted at sanctions in the face of the 30 September deadline, using the government procurement and Super 301 (concerning identification and imposition of sanctions on unfair trade practices) provisions of the Omnibus U.S. Trade Act as a basis. The question is why the talks have stalemated to the degree indicated. Where can we find a breakthrough? Those are the questions we presented to former Ministry of Finance [MOF] finance officer Makoto Utsumi before the quadrilateral trade talks to be held in Los Angeles beginning 9 September.*

[ASAHI SHIMBUN] It seems that the talks have deadlocked on the issue of "objective criteria" for measuring increases in imports, but what are the circumstances?

[Utsumi] In the U.S. Government, the idea is strongly rooted that it cannot come to an agreement without a promise to measure numerically the effects of efforts being made. A negotiating style manifesting the exercise of forceful attacks on Japan is being played out by U.S. negotiators in the midst of hardened factions who distrust Japan and who desire to sell products and services to Japan.

U.S. Negotiators Compete To Record Negotiating Achievements

[ASAHI SHIMBUN] Why is it that the U.S. negotiators have assumed such a posture?

[Utsumi] Individuals close to the center of government are political appointees of the President and have a tendency to strive for tangible results on a short-term basis when they assume office. If another negotiator succeeds in extracting greater concessions from Japan, the negotiator in question loses face. That is why negotiations have a tendency to become mired in a stalemate amidst an exchange of harsh words. In the three priority sectors, negotiations on the insurance sector have almost concluded, but are not finalized because the results are still unknown for the government procurement sector. And talks on government procurement are being handled cautiously, because the outcome of negotiations for the difficult automotive sector are still unknown. Such is the overall trend of the talks."

[ASAHI SHIMBUN] What are your views on the negotiating posture taken by Japan?

[Utsumi] In contrast to the U.S. style of competing to record the highest of achievements, Japanese Government negotiators are obsessed with idea of avoiding mistakes. It is difficult for them to make concessions for the sake of other sectors. Japan-U.S. negotiations of the past were conducted at the various echelons of government. Since negotiations were conducted based on responsibilities assigned to each government office, concessions were made within the administrative authority granted. However, in the current framework talks, where the Ministry of Foreign Affairs has assumed overall responsibility, it seems that the respective ministries lack a serious desire to conclude negotiations. It appears we made a mistake in converting the negotiations into comprehensive talks.

Need To Establish Priorities

[ASAHI SHIMBUN] What should we do to untangle the mess generated by the comprehensive approach?

[Utsumi] We should discard the framework established by the term "comprehensive" and conclude the talks on the basis of individual negotiating sectors. If several groups of negotiators keep an eye on each other under the "comprehensive" approach, there is a tendency to assume an obstinate stance based on principles. It is necessary to stop shouting harsh words at each other. Concessions are hard to make in front of competing witnesses. The negotiating parties need to talk directly to each other and reach an agreement after making equitable concessions. In that process, Japan must establish priorities on negotiating sectors.

[ASAHI SHIMBUN] It appears that there is no room for compromise on the question of whether numerical promises can be made.

[Utsumi] There are individuals with common sense in the U.S. Government who embrace the fundamental principles of free trade, but they are prone to be overwhelmed by obstinate arguments that make a public display of distrust in Japan. We should probably advance negotiations in a way that positions those U.S. Government individuals who display an understanding of Japan so that they can exercise

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greater influence. Reaching such a point of compromise will require that Japan open its markets, which are said to be structurally difficult for new entrants to penetrate, so that foreign firms can easily enter as new participants.

Unreasonable Concessions Are Unnecessary

[ASAHI SHIMBUN] The United States is hinting at sanctions?

[Utsumi] The Clinton administration seeks the support of Midwest industrial sectors in the face of midterm elections to be held in November. It may launch a strong offensive against Japan in consideration of corporations and labor unions.

Japan should avoid making unreasonable concessions because of the September deadline, to avoid sanctions, or after imposing self-designated negotiating deadlines. It should not act because the other side threatens to take certain actions; in fact, it should take a firm stand. The foreign exchange situation has changed and, even if the negotiations fail, the strong yen need not be feared.

Saito Reports No Agreement in Insurance Talks

OW1209093194 Tokyo KYODO in English 0905 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—Vice Finance Minister Jiro Saito said Monday [12 Sep] that Japan and the United States have yet to come to agreement in insurance talks under the bilateral "framework" trade negotiations.

Saito said at a news conference that the two nations will continue the insurance talks, one of three priority areas under the framework, saying they are still in the negotiation process.

A working-level meeting on the issue ended Sunday in Los Angeles with the two sides only agreeing to continue talks in Tokyo after Monday, according to officials involved in the meeting.

Asked about recently weakening stock prices, Saito said his ministry will continue watching developments for a while.

Noting stock prices are primarily determined by supply and demand, Saito said recent tumbles in the stock market did not mean Japan's economy has rapidly deteriorated.

Tokyo, Washington Automobile Trade Talks Resume

OW1209101094 Tokyo KYODO in English 0956 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—Japan and the United States on Monday [12 Sep] began three-day working-level talks on auto trade in Tokyo in a bid to preclude U.S. sanctions against Tokyo before a U.S.-imposed Sept. 30 deadline.

Japan is expected to offer compromise plans on ways to expand Japanese purchases of American autos and auto parts, including relaxation of rules on replenishment of vital car parts like brakes and clutches.

Earlier in the day, Hideaki Kumano, vice international trade and industry minister, said both parties will have "substantive discussions" in the just-started auto trade talks.

The talks will be followed up by a subcabinet-level meeting between Sozaburo Okamatsu, vice minister of international trade and industry for international affairs, and Jeffrey Garten, U.S. undersecretary of commerce for international trade, to be held in Washington in late September.

Auto trade is among the priority sectors of the trade "framework" talks, along with government procurement and insurance.

The two countries are said to be closer to an agreement on government procurement and insurance than trade in autos and auto parts.

The two sides are expected to seek a partial deal in the framework talks by the end of this month, pursuing solutions to public procurement and insurance while leaving autos for further negotiation.

Editorial Views Japan-U.S. Framework Talks

OW1209003394 Tokyo NIHON KEIZAI SHIMBUN in Japanese 11 Sep 94 Morning Edition p 2

[Editorial:"Tokyo, Washington Urged To Work for Fruitful Results in Their Trade Talks"]

[Text] No economic talks held in recent years between Japan and the United States have been so unproductive as the current Japan-U.S. economic framework talks. Both Japan and the United States decided to hold the framework talks as a successor to the so- called Structural Impediments Initiative (SII) talks in accordance with an agreement reached between (President Clinton and former Prime Minister Miyazawa) in April 1993. Nonetheless, the framework talks were virtually broken off (at the Clinton-Hosokawa talks) held this February. Although the framework talks resumed in May, they have since made little headway. Last week, International Trade and Industry Minister Ryutaro Hashimoto and Foreign Minister Yohei Kono held talks with U.S. cabinet members, but the talks failed to produce any tangible results.

It is widely thought that the framework talks have made only a small step forward over the past seven months since they were broken off. The United States has set the end of September as the deadline for it to begin taking procedures to slap sanctions on Japan in accordance with the 1988 Omnibus Trade Act. The fact that the deadline draws near is becoming a factor for precipitating the framework talks.

Under this situation, there are several worrisome points.

First, at issue are the negotiating stances taken by both Japan and the United States at the framework talks. With the United States pursuing the policy of pressing Japan to open its market, U.S. negotiators at the framework talks

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have vied with each other for credit. Meanwhile, Japanese negotiators, as always, have consistently tried to minimize their blunders as much as possible at the framework talks.

As a result, the United States has hardly taken a concessive stance at the framework talks. In Japan, meanwhile, government ministries and agencies have been liable to shift the responsibility for precipitating the framework talks on to each other. This sign appeared at the Japan-U.S. ministerial talks held last week.

Second, both Japan and the United States are still excessively sticking to the "theological debate" over objective criteria (numerical targets) designed to measure the openness of the Japanese market, and the debate has resulted in confusing negotiations on the government procurement sector with negotiations on the automobile and auto parts sector, thereby complicating the negotiations. The two sectors are different from each other because of the different character of their problems.

No government can manage the vehicle market with any numerical targets or specific standards. The vehicle market is totally different from the procurement market, which the government can manage.

Third, both Japan and the United States have reached a set of agreements on their cooperation in protecting the global environment and intellectual property rights at the framework talks, but under the present climate surrounding the two nations, those agreements are not fully appreciated. They have been affected by the negotiating stances of the two countries and the theological debate at the framework talks.

Fourth, there is a question of whether or not the term "framework" talks has kept negotiators from the two countries, as well as the people of the two countries, from taking a broad perspective of Japan-U.S. relations. The framework talks are not fully "comprehensive" from the standpoint of Japan-U.S. relations.

Deregulation concerns relations between Japan and the United States. The deregulation is a very important agenda for Japan itself. Japan has only expressed its intention to push for the deregulation, but it has yet to take concrete steps to push for it. This fundamental issue should not be allowed to hide behind the "theological debate" and should not be taken lightly.

If the fundamental issue is allowed to hide behind the debate and is taken lightly, it would have a very adverse impact on building a balanced Japanese economy and a sound long-term relationship between Japan and the United States. With this point in mind, the Japan-U.S. economic framework talks should be reviewed and both Japan and the United States need to make efforts to move the framework talks forward step-by-step.

Tokyo, U.S. To Launch Joint TMD Research

OW1009044494 Tokyo KYODO in English 0412 GMT 10 Sep 94

[Text] Washington, Sept. 9 KYODO—Japan and the United States will launch joint research this fall on the theater missile defense (TMD), a new defense project against ballistic missiles, a senior defense agency official said Friday [10 September].

Shigeru Hatakeyama, vice minister of the agency, who is visiting the U.S., said the joint research was agreed during a meeting between him and Walt Slocombe, acting undersecretary of the U.S. Defense Department.

The U.S. has called for Japan to participate in the TMD project, but Hatakeyama said the agreement on the joint research "was not premised on Japan's participation in the TMD."

He said the objective of the research is "strictly for the benefit of decision-making on the participation."

Hatakeyama also told a press conference after the meeting with Slocombe that the joint research will be focused on evaluating the threat from missiles which have Japan within their range, such as the Nodong-1 missile of North Korea.

The concept of the TMD is that spy satellites or the airborne warning and control system (AWACS) would quickly find incoming enemy ballistic missiles and then antimissile missiles would be directed to destroy them.

It was advocated by the Clinton administration last year in place of the strategic defense initiative (SDI) of the Reagan administration.

The Defense Agency requested an appropriation of about 20 million yen as costs to study the TMD in its fiscal 1995 budget.

Hatakeyama also told Slocombe that the Japanese Government is likely to approve a U.S. request that the Defense Agency cover full costs of Japanese workers as well as utility bills for U.S. military bases in Japan under the fiscal 1995 budget, agency officials said.

Under a 1991 bilateral agreement, Japan promised the U.S. it would gradually increase its share of such expenses and begin covering all such expenses from fiscal 1995, which starts next April.

But the Defense Agency did not request the entire amount needed to cover those expenses when it submitted to the Finance Ministry in August its budgetary requests for the next fiscal year due to a policy of tightened austerity which allows only a 0.9 percent increase in the fiscal 1995 defense budget.

However, Hatakeyama indicated during the meeting that the government will revive the appropriations when finalizing the budget in year-end negotiations, "taking into consideration the importance of Japan-U.S. security relations," the officials said.

The government set aside 123.4 billion yen as expenses for U.S. bases under the fiscal 1994 budget. Additional spending of some 30 billion yen is needed next year to cover all base-related expenses.

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Hatakeyama said at the press conference that the U.S. side voiced expectations of Japan meeting all such expenses in fiscal 1995, adding he sought to suggest at the meeting that a conclusion different from the appropriations request could be reached when a final budget is put into shape toward the end of this year.

JDA Head To Visit U.S.

OW1109144394 Tokyo NIHON KEIZAI SHIMBUN in Japanese 11 Sep 94 Morning Edition p 2

[Text] Japan Defense Agency [JDA] Director General Tokuichiro Tamazawa is scheduled to visit the United States 13-17 September to meet Secretary of Defense William Perry and other U.S. leaders.

Regarding the agency's decision to halve additional cost-sharings for the U.S. Forces Japan in the fiscal 1995 budget request, Tamazawa will pledge his efforts to winning back the full amounts before the budget is finally approved. He will also open discussion on the theater missile defense (TMD) system, after the two nations decided to start a joint research program by as early as the end of this year.

In addition, he will reconfirm that the Japan-U.S. Security Treaty is the centerpiece of Japan's security and defense policies even under the socialist-led administration.

Tamazawa's visit will be the first U.S. trip by a chief of the Defense Agency since September 1993. His predecessor planned a U.S. trip last May, but this was canceled following the resignation of then Prime Minister Morihiro Hosokawa.

The TMD system is being developed by the United States, and is mainly intended to intercept middle-range ballistic missiles. The system catches enemy missiles with a network of reconnaissance satellites, airborne warning and control system (AWACS) aircraft, and ground radar. During the Japan-U.S. defense summit, Tamazawa will tell his U.S. counterpart that expenses for initial research of the TMD system were incorporated into the 1995 budget request.

Tamazawa is expected to reconfirm, as a member of the Murayama Cabinet, the importance of the Japan-U.S. Security Treaty. He and U.S. officials are also likely to discuss possibilities for concluding an acquisition and cross-servicing agreement (ACSA), which was advocated by the prime minister's "Advisory Group on Defense Issues."

Keidanren Mission Plans 4-Day Visit to U.S.

OW1209112494 Tokyo KYODO in English 1046 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—A high-ranking Japanese business mission will visit the United States in November for talks with U.S. business leaders on a wide range of pending problems, organizers reported Monday [12 Sep].

The Federation of Economic Organizations (Keidanren) said its chairman, Shoichiro Toyoda, will head the six-member delegation, which includes Tadahiro Sekimoto, chairman of NEC Corp., and Yotaro Kobayashi, chairman of Fuji Xerox Co.

For Toyoda, who is chairman of Japan's top automaker Toyota Motor Corp., the trip will be his first overseas visit since taking over the Keidanren's top post in June.

The delegation will confer with its equivalent of the Business Round Table, an influential U.S. business organization, on overall Japan-U.S. economic relations and dollar-yen exchange rates, Keidanren officials said.

The mission is scheduled to leave Japan on Nov. 8 for a four-day journey.

UNSG in Tokyo for Talks on UNSC Permanent Seat

OW1109034594 Tokyo KYODO in English 0209 GMT 11 Sep 94

[Text] Tokyo, Sept. 11 KYODO—UN Secretary General [UNSG] Butrus Butrus-Ghali arrived in Tokyo from India on Sunday [11 September] for talks with Prime Minister Tomiichi Murayama and other leaders on a Japanese campaign for permanent membership on the United Nations Security Council [UNSC].

Butrus-Ghali is scheduled to meet with Murayama and Foreign Minister Yohei Kono on Tuesday during his four-day visit, which also features talks with former prime ministers Morihiro Hosokawa and Tsutomu Hata, Japanese officials said.

The ruling coalition of Murayama's Social Democratic Party, Kono's Liberal Democratic Party and Finance Minister Masayoshi Takemura's New Party Sakigake is taking a cautious approach to the permanent seating issue.

On the other hand, the opposition camp, including Hosokawa's Japan New Party and Hata's Shinseito, is more vocal about the Japanese bid for permanent membership on the council whose current permanent members are Britain, China, France, Russia, and the United States.

Prime Minister Murayama and other key members of the ruling coalition have maintained that Japan is prepared to join the powerful club but cannot participate in UN military operations aimed at settling international disputes.

Butrus-Ghali is expected to urge Japan to step up financial assistance to the world body which is gripped by mushrooming costs for peacekeeping operations and other financial problems.

Urges Strengthened Bid

OW1209051494 Tokyo KYODO in English 0505 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—UN Secretary General Butrus Butrus-Ghali on Monday [12 September] encouraged three former prime ministers of Japan to help step up Tokyo's bid for a permanent Japanese seat on the UN Security Council [UNSC], Japanese officials said.

In a series of meetings in Tokyo with Yasuhiro Nakasone, Tsutomu Hata and Morihiro Hosokawa, all key supporters

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of Japan's bid, Butrus-Ghali reportedly said Japan has better qualifications for permanent membership than other countries.

Butrus-Ghali, now on a four-day visit to Japan that began Sunday, told the former premiers Japanese membership of the Security Council would probably draw little opposition from other UN member states in view of the favorable religious and geographical factors Japan provides.

The UN chief was quoted as saying Japan is not saddled with the domestic religious strife that could undercut other nations' chances of becoming permanent members of the Security Council.

He also said he does not want to miss the opportunity of reforming the United Nations in 1995, the 50th anniversary of the founding of the world body.

In response to a reference by Hata, the UN chief defended a recent resolution by the U.S. Senate which urges Japan to take part in all types of UN peacekeeping operations, including those involving the use of force, the officials said.

The senate resolution reflects the hope that Japan will actively assume its responsibility as a UN member, Butrus-Ghali was quoted as saying.

Hata told Butrus-Ghali that "Japanese (peacekeepers) would not be able to engage in military activities," apparently referring to constitutional constraints barring Japan from using force to settle international conflicts.

Hata added, however, "It is not wrong for the activities of UN Security Council permanent members to involve military operations, and I recognize that such operations are necessary."

Seat Not Bound to Military Aid

OW1109122594 Tokyo KYODO in English 1211 GMT 11 Sep 94

[Text] Tokyo, Sept. 11 KYODO—UN Secretary General Butrus Butrus-Ghali said Sunday [11 September] Japan is mistaken to think that the United Nations is looking for military contributions from Japan for its peacekeeping operations around the world.

In a meeting with former Prime Minister Toshiki Kaifu, Butrus- Ghali stressed that he did not come to Japan seeking military contributions or money.

He said he wants to see Japanese political contributions, which led political observers to suggest that the secretary general is in favor of a Japanese seat as a permanent member of the UN Security Council.

Butrus-Ghali said Japan is mistaken to think that a permanent member's seat is bound to military contributions, noting that while 70 percent of the UN Operations involve peacekeeping operations, it is also preoccupied with monitoring elections and policing activities.

Kaifu stressed the belief that Japan should cooperate with UN efforts on the environment and AIDS, adding he hopes Japan could be of service to the UN if granted a permanent seat on the Security Council.

Butrus-Ghali arrived in Tokyo from India on Sunday for talks with Prime Minister Tomiichi Murayama and other leaders to discuss Japan's bid for permanent membership on the UN Security Council.

Butrus-Ghali is scheduled to meet Murayama and Foreign Minister Yohei Kono on Tuesday during his four-day visit, which also features talks with former Prime Ministers Morihiro Hosokawa and Tsutomu Hata, Japanese officials said.

The ruling coalition of Murayama's Social Democratic Party [of Japan], Kono's Liberal Democratic Party and Finance Minister Masayoshi Takemura's New Party Sakigake [Harbinger] is taking a cautious approach to the permanent seat issue.

On the other hand, the opposition camp, including Hosokawa's Japan New Party and Hata's Shinseito [Japan Renewal Party], is more vocal about the Japanese bid for permanent membership on the council, whose current permanent members are Britain, China, France, Russia and the United States.

Murayama and other key members of the ruling coalition have maintained that Japan is prepared to join the powerful club but cannot participate in UN military operations aimed at settling international disputes.

More on Tokyo's Bid

OW1109133894 Tokyo NHK General Television Network in Japanese 1004 GMT 11 Sep 94

[Interview with UN Secretary General Butrus Butrus-Ghali by NHK announcer Hiroko Kuniya; place and date not given; from "NHK News 7" program—recorded]

[Text] UN Secretary General Butrus Butrus-Ghali arrived today in Japan. In an interview with an NHK reporter, the UN secretary general said military participation in peacekeeping activities has nothing to do with becoming a permanent member of the UN Security Council. In this way, he expressed his understanding of a growing demand within the government and ruling coalition parties that Japan seek a permanent seat of the UN Security Council on the premise that it makes a non-military contribution to the United Nations.

[Video shows Butrus-Ghali sitting facing NHK announcer Kuniya] [Begin Butrus-Ghali recording in English with Japanese translation provided in subtitles] Participation in peacekeeping operations is a purely voluntary operation. So there is no relation between the permanent seat in the Security Council or between any participation in the Security Council and participation in the peacekeeping operations. What is more important is the political involvement. The political participation in the different decisions is the

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political support to the United Nations system and to the military multilateral approach to international problems. [end recording].

Commenting on the criticism that the United Nations has made major decisions under the influence of the United States, the UN secretary general said that if a nation like Japan joined the UN Security Council as a permanent member, the United Nations would become more independent. In this way, he expressed high hopes that Japan would join the UN Security Council as a permanent member.

UN Secretary General Butrus-Ghali met today with former Prime Minister Kaifu prior to a series of formal talks with government officials. During the meeting with the former Japanese prime minister, the UN secretary general expressed the hope that, as a permanent member of the UN Security Council, Japan would make aggressive contributions to the United Nations in the political arena and then said: At present, the permanent members of the UN Security Council are assigned the duties of maintaining peace in the world and helping refugees around the world. They take the role of the UN's executive organ. The Japanese need to understand those duties and that role.

UN Budget Share To Rise to 15.65 Percent

OW1209041494 Tokyo KYODO in English 0358 GMT 12 Sep 94

[Text] New York, Sept. 11 KYODO—Japan's share of contributions to the United Nations' budget will increase to 15.65 percent for 1995 to 1997 from the current 12.45 percent, following a routine rate revision, UN sources said Sunday [11 September].

During the three-year period, a total of 54 member countries will lower their percentage of contributions to the UN budget, with about half of the total decrease being recouped by Japan's increased share, they said.

A total of 28 nations will increase their budget shares, the sources said.

Japan's current 12.45 percent share of UN budget contributions ranks second after the United States, which should pay the limit level of 25 percent, unchanged since 1983.

At its General Assembly session opening later this month, the UN is expected to adopt a method for calculating the new rates for the UN members' contributions for 1995 through 1997, the sources said.

They said that following the revision, 169 countries—92 percent of the UN's 184 members—will each shoulder 1 percent or less of the world body's budget.

Among them, the number of countries to which the minimum share of 0.01 percent is applied will rise to 94 from the present 88.

UN members' contribution rates to its budget are revised every three years based on each country's economic indicators such as gross domestic product (GDP), per capita income and foreign debt.

The UN budget, compiled for two-year periods, stands at 2.58 billion dollars for fiscal 1994 and 1995.

The UN is in serious financial difficulties, however, because many member countries are in arrears with their contributions.

Murayama Maintains Pacifist Posture Over UN Seat

OW1009144994 Tokyo KYODO in English 1442 GMT 10 Sep 94

[Text] Akita, Japan, Sept. 10 KYODO—Prime Minister Tomiichi Murayama on Saturday [10 Sep] reiterated his "nonmilitary role only" stance over the issue of Japan's courting a permanent seat in the UN Security Council.

"(Japan) cannot cooperate in what entails military actions. Japan should only do things within the range permitted by the constitution," he said at a news conference in Akita, northern Japan. The consitution prohibits the threat or use of force to settle international disputes.

Murayama's remarks are in line with the agreement Friday among the three ruling coalition parties that Japan will seek the key status in the United Nations but will not participate in any military actions.

Murayama said understanding and support of the people as well as a clarification of what Japan can do and cannot is prerequisite for Japan's efforts to obtain the permanent Security Council membership.

But he admitted drawing the line between military and nonmilitary actions is by no means an easy task.

Murayama also noted the importance of proposed UN reforms as a condition for Japan's seeking the UN post.

Regarding expected further political realignment, Murayama voiced skepticism about moves in the opposition camp to create a new party as a step toward a bipolar political landscape.

"I don't believe it would be best if the existing parties converge into two large opposing parties," he said.

A moderate multiparty system will better fit the demands of the age, he said.

Murayama, who heads the Social Democratic Party [of Japan] (SDP) [SDPJ], reiterated the SDPJ's efforts to combine social democratic and liberal forces.

The SDPJ currently forms the ruling coalition with its one-time ideological foe, the Liberal Democratic Party (LDP), and an LDP splinter group New Party Sakigake [Harbinger].

Murayama refused to comment on the diplomatic dilemma over Taiwan President Li Teng-hui's visit to Japan to attend the Asian Games in Hiroshima next month.

"I am currently not in a position to comment on the issue," Murayama said.

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He said Japan should watch the development of trilateral talks among Taiwan, China, and the Olympic Council of Asia, which invited Li to attend the event. China strongly opposes Li's attendance.

Coalition Agreement on UNSC Seat Bid Reviewed

OW1009141494 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Sep 94 Morning Edition p 2

[Text] The three ruling coalition parties conditionally agreed at a 9 September panel meeting to coordinate foreign affairs as part of plans to prepare for the task of becoming a permanent member of the UN Security Council [UNSC]. Starting on 13 September the government will discuss in detail the speech Yohei Kono, deputy prime minister and concurrently foreign minister, will deliver to the UN General Assembly meeting later this month.

At the 9 September meeting, the coalition parties agreed that, in his speech, Kono should explain how Japan plans to contribute in economic and social fields, including environmental and population issues, as the focus of its work.

Agreeing that Japan should "not take part in military action the aim of which is the use of force," the coalition parties also were in accord in rejecting the ambiguous expression, "nonmilitary matters."

It can be said that the Murayama administration, which has been wavering over the issue of UNSC permanent membership since it was inaugurated, has finally made up its mind on the eve of UN Secretary General Butrus Butrus-Ghali's visit to Japan.

The coalition parties also agreed not remove the word "prudence" from the three-party accord reached at the time of the Murayama administration's inauguration. The panel meeting clearly expressed its view on the issue of becoming a permanent UNSC member, saying: "After obtaining a consensus from the people and winning support from as many people as possible, we would like to fulfill our responsibilities at the UNSC."

The panel meeting agreed these points against a background of the Social Democratic Party of Japan [SDPJ] deleting the word "prudence" from the new party policy adopted at an extraordinary convention on 3 September, and a change in mood in the party itself.

At a news conference held on 9 September at the prime minister's official residence, a group of reporters pointed to the change in policy which the Murayama administration adopted when it was inaugurated.

Prime Minister Tomiichi Murayama denied the change in policy, saying: "I do not think so. We have had no deviation."

With support from Southeast Asian countries, however, the ruling coalition parties' stand on the issue of UNSC permanent membership shifted from "prudence or denial" to "conditional approval."

The Ministry of Foreign Affairs [MOFA], who has been a target of criticism from the ruling parties, has explained that, as a result of the agreement made at the panel meeting, the process of coordinating opinions between the government and the ruling parties has progressed smoothly.

A senior MOFA official said: "Fundamentally, there is no difference in our views."

However, the fact the panel meeting agreed that issues such as the global environment, human rights, and AIDS "should become key missions of the United Nations," has led some to suspect the agreement may not be convincing enough because the international community feels the most important role of the United Nations is to maintain peace.

Moreover, in the agreement the ruling parties shelved the issue of determining whether or not Japan's participation in peacekeeping forces (PKF)—enshrined by the UN Peacekeeping Operation (PKO) Cooperation Law—is within the scope of an "allowable contribution" to "military action the aim of which is the use of force."

MOFA insists that Japan's participation in any PKF activity is "within the scope of the constitution so long as it is stipulated in the PKO Cooperation Law."

There is, however, within the coalition parties a deep-rooted, prudence that this is an area for political decision.

A top government official said: "The agreement clearly shows what Japan has to do. Fundamentally, I think the agreement is fine."

He added: "A little more coordination on what we have to do will be needed."

The government also plans a ministerial meeting on 13 September to unify its views on the foreign minister's speech at the UN General Assembly.

However, coordination between the government and the ruling parties is worsening and, according to a foreign ministry source, the debate over reform of the United Nations is "loosing the momentum it used to have."

It is still not absolutely clear if and how Japan will gain a permanent seat at the UNSC.

Keidanren Support Bid for Permanent UNSC Seat

OW1209110294 Tokyo KYODO in English 1022 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—The leader of Japan's most powerful economic organization urged the government Monday [12 Sep] to seek a permanent seat on the UN Security Council.

Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), told a news conference it is a matter to be considered positively in view of expectations from Asian neighbors.

Toyoda also said Japan, which pays a large share of UN costs, is being sought to play a greater role.

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He added, however, the constitution, which bars Japan from the threat or use of force as a means of settling international disputes, and public opinion have to be taken into consideration.

On another matter, the controversy over a plan by Japan Airlines to hire part-time flight attendants, Toyoda said it is something to be dealt with by the company's management.

Transport Minister Shizuka Kamei balked at the plan on grounds the safety of passengers may be jeopardized if cooperation between regular and part-time cabin crews is disrupted in case of an emergency.

Survey on Support for Tokyo's UNSC Seat Bid

OW1109142494 Tokyo MAINICHI SHIMBUN in Japanese 10 Sep 94 Morning Edition p 1

[Text] The result of a nationwide MAINICHI SHIMBUN opinion poll conducted early this month shows that 37 percent of people supports Japan's bid to become a permanent member of the UN Security Council [UNSC] and 16 percent oppose it.

Comparing the result to a poll conducted in April this year shows that the number of people supporting the UNSC seat bid has dropped by 8 percent while the number of those who oppose it has risen by 6 percent.

The government and the ruling parties have rapidly coordinated their views on the speech Foreign Minister Yohei Kono will make at the UN General Assembly. They have firmed up a plan to assume an active stance in conditionally seeking a permanent UNSC seat.

However, the survey result shows the opposite trend. The result also raises the question of whether or not, according to Prime Minister Tomiichi Murayama, the government will keep its pledge to seek a permanent UNSC seat only "after obtaining the understanding of the people."

The survey was conducted over a period of three days starting on 2 September using a randomly selected 4,160 voters from many different age groups across the nation. A total of 72 percent of those selected were actually interviewed.

Compared to the outcomes of three previous surveys, the result of the recent poll shows the lowest number of people supporting the bid and the highest number of those opposed to it. Of those who support the Murayama administration, 43 percent approve of Japan's UNSC seat bid and 20 percent oppose it.

Figures for the individual parties of those supporting the bid include: Shinseito [Japan Renewal Party] and the Democratic Socialist Party (both 53 percent); Sakigake [Harbinger] (50 percent); the Liberal Democratic Party (43 percent); Komeito (41 percent); Japan New Party (39 percent); the Social Democratic Party of Japan (33 percent); and Communist Party of Japan (20 percent).

Rwanda Mission To Cost Taxpayers 7.7 Billion Yen

OW0909144194 Tokyo KYODO in English 1421 GMT 9 Sep 94

[Text] Tokyo, Sept. 9 KYODO—The deployment of a 300-member Self-Defense Forces (SDF) contingent to Africa to assist Rwandan refugees will cost at least 7.7 billion yen, the Defense Agency said Friday [9 Sep].

When expenses for aircraft fuel and other operating costs are included, the total might even add up to 10 billion yen, the agency said in a first estimate.

The Ground Self-Defense Force (GSDF) will need the lion's share of some 6 billion yen, more than half of which will be needed to cover the lease of a C-5 transport aircraft from the U.S. Forces to airlift command communication vehicles and jeeps.

The Air Self-Defense Force (ASDF) requires 1.3 billion yen, while medicines and other medical materials will cost about 400 million yen.

Personnel costs and expenses for provisions amount to just 800 million yen of the GSDF total. A still unknown sum will be needed to pay satellite communications with Japan via Inmarsat.

The 1.3 billion yen for the ASDF will only cover the basics such as accommodation and allowances. The estimate does not include costs for fuel, spare parts and depreciation of the three C-130 transport aircraft which will be used locally.

The SDF has to advance the funds prior to the passage of a supplemetary budget. Should there be a delay in budget deliberations, the agency might be forced to revise its current plans for military exercises, officials said.

Dietmen on Inspection Trip to Rwanda and Zaire

OW1009040794 Tokyo KYODO in English 0259 GMT 10 Sep 94

[Text] Nairobi, Sept. 10 KYODO—A Japanese team of legislators from the three ruling parties declined Friday [10 September] to comment on whether a planned self-defense forces (SDF) contingent to Zaire to help Rwandan refugees should be allowed to carry automatic weapons.

The legislators have returned to nairobi from an inspection trip to Rwanda and Zaire.

Sukio Iwatare, a House of Representatives member from the Social Democratic Party (SDP), who heads the fact-finding team, said the weapons issue is "not to be decided by us."

Iwatare also said they "would like to try forming a consensus after returning to Japan" on the weapons issue.

The five-member team from the SDP, the Liberal Democratic Party (LDP) and New Party Sakigake visited refugee

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camps in Zaire border areas and inside Rwanda to gather information about security before the sending of some 300 SDF personnel to the region.

Japan is preparing to dispatch the SDF personnel based on its International Peacekeeping Cooperation Law, but the government is still divided over whether the troops should be allowed to have the proposed automatic weapons and armored vehicles on their mission.

Iwatare supported the planned dispatch of the personnel to the zaire towns of Goma and Bukavu, where there a large number of Rwandan refugees.

He said a French commander had told them his forces had never opened fire. "I felt an order is in its making" in the area, Iwatare said.

As for the situation inside Rwanda, Iwatare said "the new government said it has seized all of the land, but we can not verify it."

The peacekeeping cooperation law rules out the dispatch of SDF troops to countries or regions where a cease-fire has not been agreed between the warring parties.

Fact-Finding Team Returns From Zaire

OW1109140194 Tokyo KYODO in English 1244 GMT 11 Sep 94

[Text] Narita, Japan, Sept. 11 KYODO—The chief of a fact- finding mission back from Zaire said Sunday [11 Sep] Self-Defense Forces (SDF) personnel should be dispatched first to the Zairean town of Goma on the eastern border between Zaire and Rwanda in assisting Rwandan refugees.

Sukio Iwatare, a House of Representatives member from the Social Democratic Party [of Japan] (SDP) [SDPJ], who headed the mission of five Diet members launched by the ruling coalition, said at a press meeting at Narita airport on return, "SDF personnel should be sent to Goma for three months for the time being."

Rwandan refugee camps currently concenrate around Goma.

But Iwatare also suggested the SDP's dispatch to another Zairean town of Bukavu on the western border, saying, "fresh refugees rushed to schools and roads in Bukavu. The dispatch to Bukavu also should be considered."

The team from the SDPJ, the Liberal Democratic Party and New Party Sakigake [Harbinger] visited refugee camps in Zaire border areas and inside Rwanda to gather security information before the sending of some 300 SDF personnel for UN peacekeeping operations there.

Iwatare stopped short of endorsing the carrying of machine guns by the SDF. But, he said, "SDF members as well as their family members should feel safe in carrying out their mission."

He promised candid discussion over the issue among coalition parties.

Iwatare ruled out a possible dispatch of SDF to Rwanda, saying they could not confirm a complete cease-fire there.

Urges Early Dispatch of SDF

OW1209055594 Tokyo KYODO in English 0543 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—A team of legislators, just back from a fact-finding mission to Rwanda, on Monday [12 September] urged an early dispatch of Self-Defense Forces (SDF) troops to Zaire to assist Rwandan refugees there.

The Diet team that visited Rwanda and the Goma refugee camp in Zaire made the proposal in a report to Prime Minister Tomiichi Murayama. The group was led by Sukio Iwatare, a House of Representatives member from the Social Democratic Party (SDP).

The team's report urged a quick cabinet decision to dispatch SDF troops because "based on the needs of the region, we should realize a dispatch as soon as possible."

The lawmakers, who returned Sunday, left the question of whether the Japanese troops will be allowed to carry machine guns up to the government.

Murayama said he would accept the report and would like to study it.

The ruling coalition is scheduled to meet later Monday in a defense policy meeting and a policy research meeting to debate the issue on the basis of the report. The cabinet is expected to decide Tuesday on a plan to dispatch the SDF troops.

The report suggested it is the government's responsibility to decide on the carrying of machine guns by the SDF troops "in order that they can carry out their activities with their minds at ease."

France Demands 'Open' Selection of Aircraft

OW12090222 Tokyo KYODO in English 0222 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—French Prime Minister Edouard Balladur has demanded that Japan should select its next military multipurpose support aircraft through open competition, indirectly expressing doubts about the Defense Agency's earlier decision to buy them from the United States, a national daily reported Monday [12 September].

The ASAHI SHIMBUN quoted a high-ranking government official as saying that Balladur made the request in a personal letter to Prime Minister Tomiichi Murayama on Aug. 22, in which he urged Murayama to consider a French model openly with its competitors.

Following a selection process begun under the former coalition government in May, the Defense Agency informally decided on Aug. 11 to buy U.S.-made Gulfstream aircraft after also considering the Challenger aircraft of Canada and the Falcon of France, according to the paper.

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However, the government has postponed its final decision since some cabinet ministers have expressed doubts over the allegedly unclear process of selection, the ASAHI said.

It said information about the selection of the Gulfstream had circulated in the aircraft industry before the agency's unofficial decision, suggesting the deep involvement in the selection process of some politicians from the former coalition government.

Although the final decision on Japan's next support aircraft is still unsettled, the Defense Agency has sought 7.2 billion yen in the fiscal 1995 budget to buy two such aircraft, the paper said.

It added that the agency plans to introduce a total of nine multipurpose support aircraft from fiscal 1995 through fiscal 1999 at an estimated cost of more than 3 billion yen per plane.

More on French Aircraft

OW1209045094 Tokyo KYODO in English 0422 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—French Prime Minister Edouard Balladur has urged Japan to purchase multipurpose support aircraft for its Air Force from France, the top Japanese Government spokesman said Monday [12 September].

"Prime Minister (Tomiichi) Murayama received a letter from Mr. Balladur through the French Embassy in Tokyo on Aug. 23," Chief Cabinet Secretary Kozo Igarashi said at a news conference.

In the personal letter, Balladur expressed interest in Tokyo's plan to purchase its next support aircraft and urged Japan to select French planes, Igarashi said.

Following a selection process begun under the previous government in May, the Defense Agency informally decided on Aug. 11 to buy U.S.-made Gulfstream aircraft after also considering the Challenger aircraft of Canada and the Falcon of France.

However, the current coalition government has postponed its final decision since some cabinet ministers have expressed doubts over the allegedly unclear process of selection.

According to a report Monday in the ASAHI SHIMBUN newspaper, information about the selection of the Gulfstream had circulated in the aircraft industry before the Defense Agency's unofficial decision, suggesting the deep involvement in the selection process of some politicians from the former coalition government.

The final decision on Japan's next support aircraft remains unresolved. But the Defense Agency has sought 7.2 billion yen in the fiscal 1995 budget to purchase two such aircraft.

The Air Self-Defense Force plans to introduce a total of nine multipurpose support aircraft from fiscal 1995 through fiscal 1999 at an estimated cost of more than 3 billion yen per plane.

Asia-Pacific Role for Tokyo, Beijing Sought

OW1209072394 Tokyo KYODO in English 0710 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—Prime Minister Tomiichi Murayama proclaimed the need Monday [12 Sep] for Japan and China to go hand in hand and play a greater role in the Asia-Pacific region, a Foreign Ministry official said.

"It is tremendously vital for Japan and China to cooperate in the Asia-Pacific region," the premier was quoted as telling a Chinese delegation. "In this context, the two countries can play a more prominent role."

Yang Zhenya, vice chairman of the Foreign Affairs Committee of the National People's Congress and head of the Chinese delegation, readily agreed, saying, "cooperation between China and Japan is conducive to stability in the Asia-Pacific region."

Yang, a former Chinese ambassador to Japan, also expressed hope Murayama will visit China at the earliest possible time, the official said.

The premier replied that although he does wish to pay an early visit, his schedule at home is tight for the months to come, the official said.

While Yang sought Tokyo's cautious stand on the Taiwan president's attendance at the Hiroshima Asian Games, Murayama reportedly said the Japanese Government is awaiting the outcome of talks among the Olympic Council of Asia and the Chinese and Taiwanese olympic committees.

Taiwan President Li Teng-hui's avowed desire to attend the opening ceremony of the Asiad on Oct. 2 has forced Japan into a diplomatic dilemma.

Beijing threatens Tokyo will face serious consequences if Li is allowed to attend the event, while Taiwanese legislators say their country will boycott Japanese products if their leader is barred from entering Japan.

Japan switched diplomatic relations from Taipei to Beijing in 1972 and has since limited ties with Taiwan to economic and private sector contacts to avoid upsetting China.

Tokyo Urged To Move First on Resuming Relations

OW1009144494 Tokyo KYODO in English 1432 GMT 10 Sep 94

[Text] Beijing, Sept. 10 KYODO—North korea has urged Japan to take the initiative toward resuming suspended dialogue aimed at establishing diplomatic ties between Tokyo and Pyongyang, a Japanese coalition parliamentarian said Saturday [10 Sep].

Hajime Fukada, member of Prime Minister Tomiichi Murayama's Social Democratic Party [of Japan] (SDP) [SDPJ], disclosed remarks by North Korean officials to KYODO NEWS SERVICE during a flight back to Beijing from the North Korean capital.

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North Korean officials told Fukada that Pyongyang has no intention to make the first move to restart bilateral talks suspended since late 1992.

Fukada, a House of Councillors member, flew to Beijing on Saturday after a visit to North Korea. Among North Korean officials he met in Pyongyang was Hwang Chang-yop, secretary of the Workers Party of Korea.

Fukada quoted Pyongyang officials as saying that a standoff over North Korea's nuclear development program, which has been the largest obstacle to Tokyo's rapprochement with Pyongyang, is moving toward a settlement through talks with the United States.

They insisted that no conditions now remain unmet for resuming bilateral talks, Fukada said.

North Korean officials criticized Murayama for visiting South Korea immediately after he took office, and urged Japan to stop studying the pleasure [phrase as received] of the U.S. and South Korea over talks with North Korea, he said.

They were optimistic about the ongoing talks with the U.S., noting relations of trust and respect are developing between Pyongyang and Washington, Fukada said.

The North Koreans also said Kim Chong-il had decided himself on the delay in his official nomination to the nation's top post to succeed his father Kim Il-song, who died of heart failure in early July.

They had reportedly pointed to the lingering feelings of mourning among the North Korean people over Kim Il-song's death as the reason for the intentional delay.

The North Korean officials had said no fixed timeframe for the mourning period exists, suggesting Kim Chong-il may ascend to the top status whenever he decides to do so.

"I had a feeling that (Kim Chong-il's) rise to the top post is not far away. It seems likely he will take the office sometime after observing the outcome of the U.S.-North Korean talks," Fukada said.

Nuclear Test by PRC Could Delay Murayama Visit

OW1009002294 Tokyo KYODO in English 0001 GMT 10 Sep 94

[Text] Tokyo, Sept. 10 KYODO—The Japanese Government has gained information that China will conduct a nuclear text next week, a government source close to Prime Minister Tomiichi Murayama said Friday [9 September] night.

The source suggested Murayama is likely to cancel plans for an early visit to China if it tests a nuclear device. He said Murayama will not go to China "until the excitement dies down" after such a test.

The source did not elaborate on the information the government had received.

The government has been reportedly considering a China visit by Murayama around mid-October.

In August, Chinese President Jiang Zemin officially invited Murayama to China in a meeting with Koichi Kato, chief of the Policy Affairs Research Council of the Liberal Democratic Party (LDP).

Tokyo has urged China to stop conducting nuclear tests, after Beijing exploded nuclear test devices on Oct. 5 last year and June 12 this year.

On June 13, then Japanese Foreign Minister Koji Kakizawa suggested China's nuclear testing could influence Japan's future economic aid to China, in a meeting with his Chinese counterpart Qian Qichen in Beijing on the day after the nuclear test.

He added the nuclear test was also regrettable in light of the Japanese Government's guidelines, which state that recipient countries of Japan's Official Development Assistance (ODA) should promote disarmament.

The LDP's Kato repeated Japan's request to stop nuclear tests in meetings with Chinese leaders in August.

Taiwan's Li Said To Urge Tokyo Not To Bow to PRC

OW0909150894 Tokyo KYODO in English 1444 GMT 9 Sep 94

[Text] Tokyo, Sept. 9 KYODO—Taiwanese President Li Teng- hui on Friday [9 Sep] urged Japan not to cower in the face of Chinese rage over a plan to invite Li to the Hiroshima Asian Games, advising Tokyo to take "strong leadership," a Japanese lawmaker said.

Ryu Shionoya, a House of Representatives legislator of the ruling Liberal Democratic Party (LDP), the largest force in Prime Minister Tomiichi Murayama's tripartite coalition, made the remark at a news conference at the LDP headquarters in Tokyo.

Shionoya, just fresh from a three-day mission to Taiwan, held a meeting with Li earlier in the day at Taiwan's presidential office, along with six other members of his LDP delegation to Taiwan.

"I want to comply with the invitation in the sports field, as it is a public call (to accomplish the visit to Japan)," Shionoya quoted Li as saying.

Li was referring to the official invitation extended to him by Olympic Council of Asia (OCA) President Ahmad al-Fahad of Kuwait to attend the Oct. 2 opening ceremony of the games.

"I want Japan to press ahead with its diplomacy with strong leadership," Li told Shionoya in his message to the Japanese Government.

Li's comments came a day after China threatened "very serious political trouble" for Japan if its government issues a visa to Li to permit his attendance.

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Shionoya said he promised to convey Li's request to LDP executives upon his return to Japan. LDP President Yohei Kono holds the foreign ministerial portfolio and deputy premiership in the Murayama administration.

He said some Taiwanese legislators of the Legislative Yuan (parliament) predicted Taiwanese people would wage an anti-Japanese movement if Japan scuttles Li's visit.

Taiwanese Foreign Minister Chien Fu reportedly asked the Japanese Government Thursday not to "interfere with the decisions of the olympic council," in reference to the OCA invitation to Li.

On Thursday, a group of Taiwanese legislators said the Taiwanese people will boycott Japanese products if the invitation is scuttled.

Business Delegation To Visit PRC for Talks

OW1009103394 Tokyo KYODO in English 0936 GMT 10 Sep 94

[Text] Tokyo, Sept. 10 KYODO—A Japanese business mission will visit China from Tuesday [13 Sep] through Saturday to discuss future bilateral economic cooperation, mission officials said Saturday.

During the five-day stay in Beijing and Qingdao, the delegation from the Japan-China Association on Economy and Trade will meet President Jiang Zemin, Premier Li Peng and other top Chinese officials.

The 80-member delegation, led by Komatsu Ltd. Chairman Ryoichi Kawai, will unveil support for China's plan to link Beijing and Shanghai via a bullet train line and also China's environmental policies, the officials said.

They said that for the Japanese mission, the 12th in a series, the greatest interest will center on Beijing's future economic and industrial policies, particularly for its promising car industry.

The Chinese economy, posting rapid growth under the open-economic policy, ballooned 11.6 percent in the first six months of 1994 alone.

The explosive growth has also had a negative side, though, including inflation and the widening gap of affluence between big cities and elsewhere.

The association plans to hold a group session that will focus exclusively on the auto industry during the visit.

Japanese businesses are eyeing opportunities to enter the Chinese car market after Beijing lifts its ban on new foreign investments in the sector in 1996.

Environmental and energy matters will also likely be on the agenda for the talks between the delegation and the Chinese side, they said.

Opposition-Backed Candidate Wins Aichi By-Election

OW1109121294 Tokyo KYODO in English 1133 GMT 11 Sep 94

[Text] Nagoya, Sept. 11 KYODO—Former Labor Ministry bureaucrat Yuzuru Tsuzuki, backed by all noncommunist opposition parties, coasted to victory Sunday [11 September] in a House of Councillors by-election in Aichi Prefecture, central Japan, early returns showed.

Political analysts consider the opposition's victory in the first parliamentary election since the establishment of the new coalition government of Prime Minister Tomiichi Murayama in late June may herald a challenge to Japan's ruling coalition.

Tsuzuki, 43, was backed by all of the noncommunist opposition parties which made up the ruling coalition before it was dismantled in June by the new Social Democratic Party (SDP) [of Japan—SDPJ]-Liberal Democratic Party alliance.

The tripartite coalition of the SDP, the LDP and New Party Sakigake [Harbinger] backed former UN official Jiro Mizuno, 48, in the by-election.

Tsuzuki's victory was aided by a strong showing in his Aichi No. 4 home election district of the House of Representatives and in Aichi No. 3 lower house constituency, the home of former Prime Minister Toshiki Kaifu, who bolted the LDP this spring to join the new opposition group.

Tsuzuki also received the considerable backing of labor unions affiliated with the Democratic Socialist Party, including Toyota Motor Corp.'s automotive unions, and the lay Buddhist organization Soka Gakkai, which has close relations with Komeito [Clean Government Party].

The Japanese Communist Party was the lone opposition group not to endorse Tsuzuki, backing instead Yoshinori Omura.

Political analysts are saying the victory should provide momentum for the efforts of opposition power broker Ichiro Ozawa to forge a new party that can unseat the current SDP-LDP coalition.

They considered Sunday's poll a preliminary skirmish to next summer's upper house election and the House of Representatives poll after the introduction of new single-seat constituencies.

Balloting at 1,850 polling stations in the prefecture ended at 6 p.m. and 42.86 percent of the eligible voters in the prefecture went to the polls, election officials said.

Tsuzuki was the favorite heading into Sunday's poll, according to an opinion poll conducted by KYODO NEWS SERVICE last week.

Mizuno, who had counted on the support of the LDP and another former Prime Minister Noboru Takeshita, fell short in his bid to defeat Tsuzuki.

The Aichi poll was necessitated by a vacancy created last month when the Supreme Court turned down Shoji Shinma's appeal of a lower court ruling that he falsified his academic record while campaigning for election in July 1992.

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Shinma, 59, was the first lawmaker to lose his Diet seat through a violation of the Public Offices Election Law. An attempt to resign his seat before the Supreme Court ruling was rejected and thus his 1992 election victory was judged invalid.

Further on By-Election

OW1209004894 Tokyo KYODO in English 0035 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—The opposition camp's landslide victory in a parliamentary by-election Sunday [11 September] is expected to intensify moves toward a grand alliance of forces rivaling Prime Minister Tomiichi Murayama's three-party ruling coalition, political leaders of the two sides say.

Final official returns in the House of Councillors by-election in Aichi Prefecture, central Japan, gave opposition-backed former Labor Ministry official Yuzuru Tsuzuki 931,936 votes against 544,637 for former UN official Jiro Mizuno supported by the coalition parties, including the dominant Liberal Democratic Party (LDP) and Murayama's Social Democratic Party (SDP).

Voters in the upper house poll in the Aichi prefectural constituency that includes the business center of Nagoya "said 'no' to the Murayama cabinet," former Prime Minister Toshiki Kaifu said late Sunday night.

"With this as an impetus, we'll move ahead toward a new party," said Kaifu, who defected from the LDP after he lost to Murayama in a Diet premiership election in June.

"The voters' judgment encourages us," echoed Tsutomu Hata, another opposition leader who was prime minister until he was ousted by the coalition formed by the pro-business LDP's surprise alliance with its former archrival SDP.

"We'll put all energies into forming a new party on which the people pin high hopes in order to pursue reform persistently and conduct responsible politics," Hata told a joint news conference with opposition leaders.

All opposition parties except the Japanese Communist Party have agreed in principle to merge into a new party fielding some 190 members in the 511-seat House of Representatives to win back the reins of power from the 300-member governing coalition.

For the 10-week-old Murayama administration, the defeat in the first Diet election since its inauguration was a setback in its bid to ensure political stability in a nation which has had three new prime ministers in the past year since a reformist coalition toppled the LDP from 38 years of uninterrupted government.

"It is only natural that the outcome should encourage the opposition side and deal some blow to the ruling camp," acknowledged a grim-faced SDP Secretary General Wataru Kubo. "But this will not sway politics or jolt the government."

Murayama also said he believes the result "will not affect the current political situation."

Murayama, Kubo and other coalition leaders blamed their defeat on a late campaign start, stressing that the voters did not choose parties but one of the candidates on the basis of their personal capabilities.

The defeated coalition candidate said the election result represented "voter judgment on myself, not on the Murayama government."

The election was held to fill a vacancy created last month after incumbent Shoji Shinma was stripped of his seat for falsifying his academic record. The voter turnout was 42.87 percent.

Political Climate Unchanged

OW1109135694 Tokyo KYODO in English 1316 GMT 11 Sep 94

[Text] Tokyo, Sept. 11 KYODO—Prime Minister Tomiichi Murayama on Sunday denied the defeat of the ruling coalition's candidate in an upper house by-election in Aichi Prefecture would have negative repercussions.

In a statement issued after the defeat of coalition-backed Jiro Mizuno the same day, Murayama said, "I heard there was no sense of disagreement among the three coalition parties and the three parties did their best respectively in the campaign. I believe the election result will not affect the current political situation."

Murayama said Mizuno suffered the loss because of a late start in the campaign. He added Mizuno was not well known among legislators because he has been working for the United Nations for such a long time.

Debate on Policy Urged

OW1109135794 Tokyo KYODO in English 1312 GMT 11 Sep 94

[Text] Tokyo, Sept. 11 KYODO—Japanese business leaders called for clearer policy-oriented campaigns in reacting to the closely watched House of Councillors by-election Sunday [11 Sep].

"Both the former and current ruling coalition parties should clearly debate on principles, assertions and policies," said Takeshi Nagano, president of the Japan Federation of Employers Associations (Nikkeiren).

Lamenting a lack of policies in the campaigns of the by-election in Aichi Prefecture, Nagano said elections should not be a "confrontation simply to win the administration."

Former Labor Ministry bureaucrat Yuzuru Tsuzuki, backed by all noncommunist opposition parties, coasted to victory in the parliament-level election, the first held since the ruling coalition came to power last June.

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Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry (Nissho), said, "the ruling parties should solemnly recognize the defeat" of their candidate.

The by-election result is expected to spur the plan by the noncommunist opposition parties to create a new single party, and a direction toward two major parties is "desirable for voters to a ballot based on policy priorities," Inaba said.

In elections ahead, he urged both the ruling and opposition parties to "pursue policy-oriented elections that are easy to understand with clear policy debates."

Lamenting the dormant voting rate, Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren) said, "both the ruling and opposition parties are asked to pin efforts in indicating policies and other selections in a clearer manner to raise public attention in politics."

Masaru Hayami, chairman of the Japan Association of Corporate Executives (Keizai Doyukai) said, "it is difficult to determine the public support" on the ruling coalition parties just with the by- election.

Hata on Start of New Party, Visit by Taiwan's Li

OW0909132894 Tokyo KYODO in English 1313 GMT 9 Sep 94

[Text] Asahikawa, Japan, Sept. 9 KYODO—Ten opposition parties and groups aim to merge as a new party by the end of October to rival the current ruling three-party coalition, former Prime Minister Tsutomu Hata said Friday [9 Sep].

"It should not be too late. We hope to establish it by the end of next month at the latest," said Hata, head of the major opposition party, Shinseito [Japan Renewal Party], speaking at a symposium on politics in Asahikawa, Hokkaido.

The opposition forces have already agreed on the basic principles of the intended new party and are drafting policies to prepare for their merger.

Hata also met reporters and expressed some understanding toward the proposed visit by Taiwanese President Li Teng-hui to Japan to attend the Oct. 2 opening ceremony of the Asian Games in Hiroshima.

"The existence of Taiwan has become something that cannot be ignored in Asia. The situation would get mixed up if the politics interfere," he said. He added he hopes the issue will be discussed well at the sports level, meaning he will closely follow talks involving Taiwan, China and the Olympic Council of Asia (OCA).

When asked if he is positive about the proposed visit by Li, however, Hata backpedaled a bit saying, "it is a fairly difficult issue."

Prime Minister Tomiichi Murayama said Thursday that Tokyo will decide whether to allow Li entry into Japan to attend the games based on the outcome of ongoing trilateral talks on the issue.

Taiwan informed Japan on Wednesday that Li has accepted an invitation by OCA President Ahmad al-Fahad to attend the opening ceremonies of the Oct. 2-16 games.

China, which considers Taiwan a renegade province, has threatened to boycott the Asiad if the Taiwanese leader attends, while Taipei has threatened to sit out the games should Li be barred from entering Japan.

Japan established diplomatic relations with China in 1972 and broke off official ties with Taiwan.

* Takeshita Regaining Active Role in Politics

942A0596A Tokyo SANDE MAINICHI in Japanese 14 Aug 94 pp 26-29

[Article by Taiichiro Kobayashi, Yoshiatsu Takeda, SANDE MAINICHI reporters: "Plan for Comeback Steadily Progressing"]

[Text] He is still tenacious. Noboru Takeshita (former prime minister) is said to be coming to life again. Has everyone forgotten all about the Recruit scandal that forced him to resign from the office of prime minister, saying that he deserved certain death, and about the Kominto scandal? There is a stir in Nagata-cho, around Prime Minister Murayama and Financial Minister Takemura.

"I have lost influence in the political world..." complained Mr. Takeshita, when he called Mr. Junya Yano, former chairman of Komeito, at the end of July. Mr. Yano laughed when he heard this, saying, "So have I."

Former Prime Minister Takeshita has become so active that such a complaint coming from him only sounded like a joke. He goes to work at his personal office on the fourth floor of TBR building close to the Diet building in Nagata-cho, and "he rarely goes to his resort house by Lake Kawaguchi this summer" (Takeshita's office). His office is crowded with bureaucrats, politicians, and businessmen every day. Why is Mr. Takeshita so busy and doing so well?

On 20 July, when the interpellation started in the extraordinary session of the Diet, Yukio Hatoyama, secretary general of New Party Sakigake [Harbinger], Asahiko Mihara, and Kisaburo Wataumi, both Diet members, visited Takeshita's office in the evening. With the establishment of the coalition government of the Liberal Democratic Party [LDP], the Social Democratic Party of Japan [SDPJ], and Sakigake, former Prime Minister Takeshita and the members of Sakigake have become once again comrades in the coalition government after one year. This visit was to acknowledge this. Because both Mr. Hatoyama and Mr. Mihara used to belong to the former Keiseikai (Takeshita faction), the visit was also to renew their old friendship with Mr. Takeshita.

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Mr. Takeshita, who welcomed the three gentlemen, first brought out an antique document called kinmanke banzuke-hyo [kinsman family ranking list].

"This was found when my mother was cleaning the house. Didn't your family (Hatoyama family) find something like this, also?" It seems that this kinmanke Banzuke is recently Mr. Takeshita's favorite. He seems to be showing it to almost every visitor. "Mr. Nakasone (former Prime Minister Yasuhiro Nakasone), too, was so pleased and made a copy of this."

Though half of the meeting with the three, which lasted about an hour, was spent on ordinary topics, he made a clear reference to the tax reform.

"Your party is saying that your goal is to materialize within the year. However, the first paragraph of Section 5 of the supplementary provision to the Temporary Income Tax Reduction Measures Law for 1994, states, concerning income tax after 1995, that the overall tax system should be examined immediately and tax reform should proceed. You should handle the matter more seriously, shouldn't you?"

What he is suggesting is that they should decide on the consumption tax increase within this year. For Mr. Takeshita, whose "words are articulate, but their meaning is obscure" normally, the suggestion he made was very blunt. What does this mean?

A person who is related to the Ministry of Finance [MOF] explains, "In addition to serving as Minister of Finance three times, Mr. Takeshita succeeded in passing the consumption tax bill when he was prime minister. There are many who are close to him in the MOF. Since establishment of the new government, they have been paying visits to Mr. Takeshita, with high expectations."

However, Jiro Saito, vice minister (of MOF), used to be so close to Ichiro Ozawa, secretary general of Shinseito [Japan Renewal Party], that the two used to be called the "Ichi[ro]-Ji[ro] pair."

"The MOF uses any politician in order to achieve its goal. If Mr. Ozawa's party becomes an opposition party, it is natural for them to get close to Mr. Takeshita again, since they have had a strong relationship with him. This is to Mr. Takeshita's advantage, also"(a concerned party).

In fact, Vice Minister Saito is said to have visited Mr. Takeshita at his home in Setagaya, Tokyo, immediately following the power change.

This makes it impossible for Finance Minister Takemura, who was strongly opposed to adoption of the welfare tax while serving as chief cabinet secretary of the Hosokawa administration, to ignore Mr. Takeshita's intention. He visited Mr. Takeshita's home the weekend before the summit meeting and the weekend immediately following the summit. After the first visit, Finance Minister Takemura was said to have told Vice Minister Saito, "I don't know anything, so please take care of everything," and bowed.

However, Finance Minister Takemura has known Mr. Takeshita since his Shiga Prefecture governor days, and while secretary general of the LDP, he established Environmental Basic Problems Forum (chaired by Mr. Hashimoto, minister of transportation), supported by Mr. Takeshita, and it should be easy for him to approach Mr. Takeshita. After the establishment of the new administration, Mr. Takeshita's popularity seems to have been rapidly increasing.

Takayoshi Miyagawa, a political critic, who is close to Mr. Takeshita, analyzes as follows. "Mr. Nakasone, who voted for Mr. Kaifu as prime minister, has become a crown (meaning, that he has made a fool out of himself.) Miyazawa is like a war criminal responsible for the collapse of the LDP government, and Uno is practically nonexistent. Kaifu, Hosokawa, and Hata of the opposition are like little kids. Then, Takeshita is the only one who has experience as prime minister and he has substantial influence. Naturally, he is gaining more recognition."

What proved this publicly was Prime Minister Murayama's visit to Takeshita's office (22 July). During this meeting, Mr. Takeshita recalled the period when the LDP and the SDPJ were in confrontation, and then complimented the prime minister, saying, "That cold war era has ended. Therefore, Mr. Murayama (who, as chairman of the SDPJ, chose the coalition with the LDP) has the right understanding."

The official purpose of this visitation "ceremony" was to greet Mr. Takeshita, who was chairman of the Japan-Korea Association of Dietmen, with his visit to Korea at hand. However, nobody in the political world would buy such an excuse.

"The visit was to thank him for making his government. Mr. Murayama, too, must be happy that Mr. Takeshita gave him the seal of approval" (an executive of Democratic Socialist Party). This is the way most view this matter.

"Slowly, Slowly" But Very Actively

By the way, what role did Mr. Takeshita play in the recent political change? There are still many uncertain points; however, a persistent rumor has it that it was Mr. Takeshita and Seiroku Kajiyama, former secretary general, who conceived the idea of a coalition government made up of the LDP, the SDPJ, and Sakigake.

Since the time when the Hosokawa administration began to fall, Mr. Takeshita was said to have been expressing his opinion, saying, "It must be a cabinet supported by the whole nation." His idea was to establish a coalition government made up of all parties except the Japan Communist Party, and he was thinking of Masaharu Gotoda, former deputy prime minister, as the strongest candidate for prime minister. However, the parties of the former coalition, such as Shinseito, would not have joined hands with the LDP. This prompted the secession from the party of former Deputy Prime Minister Michio Watanabe. However, the one who kept this from happening was said to be Mr. Takeshita.

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In early April, at a meeting with businessmen, Mr. Takeshita laughingly said, "Looks like neither Ozawa nor Michi [Michio Watanabe] has any money." It seems that Mr. Takeshita had been thinking about supporting Mr. Murayama since then. Until then the two never had any direct friendship, but, through Tsuruo Yamaguchi, Director General of the Prime Minister's Office, and Shun Oide, minister of posts and telecommunications, Mr. Takeshita had learned Mr. Murayama's character, and determined that he would be able to fulfill the role of prime minister of a coalition government.

"We have no choice but to swallow everything that the SDPJ says. But before it gets digested and comes out, we just have to swallow the SDPJ itself." This was what Mr. Kajiyama and others surrounding Mr. Takeshita were thinking.

In the middle of June, Mr. Nakasone, who was intending to establish a conservative coalition, noticed this movement and warned them that "There is no way I can agree to constitutional protectionist liberal (goken riberaru)," however, Mr. Takeshita was said to have been laughing on one pretext or another.

About the same time as this, former U.S. President Carter visited North Korea and had a meeting with the late President Kim Il-song. As he watched this, Mr. Takeshita said, "Kaifu might be the Japanese version of Carter," thus flattering Mr. Kaifu who later became a candidate for prime minister supported by the former coalition. Mr. Takeshita's intention was to tell Mr. Kaifu that he valued him much and he should not even think about seceding from the party. In addition, Mr. Takeshita made Keizo Obuchi, chairman of Heiseiken (formerly, Keiseikai), who was close to him, run to Kaifu's office right before the appointment of a candidate, and tried so hard to stop Kaifu from running for prime minister, as to connect his personal phone line with Kaifu's office.

Mr. Takeshita, made a commendable speech at "the celebration of his 70th birthday" held at a Tokyo hotel, saying that "slowly and slowly I followed, so that I would not impose on anyone, and so that I would not stand in young people's way." On the contrary, he was anything but "slow." He had been very active.

Mr. Obuchi, who played the role of messenger between Takeshita and Kaifu, has his office on the fourth floor of the TBR building just as Mr. Takeshita does. Officially he is the leader of the faction, but the "lord and vassal" relationship with Mr. Takeshita has not changed.

"I hate to say this, but Mr. Obuchi only has a nice personality. He is a complete Takeshita pawn" (Shinseito executive).

In Obuchi faction Diet members' offices in the Members Building, there are pictures of Mr. Takeshita, but none of Obuchi.

Mr. Obuchi was asked in the interview on 7 July when he was appointed vice president of the LDP, about reinstatement of Mr. Takeshita, who had become unaffiliated. It was natural for him to answer, "He of himself as an LDP member, and has experience. It is necessary for him to act as a Diet member belonging to a party."

His Next Move, Dissolution of the Diet in December?

By the way, Mr. Takeshita is planning to visit China in the middle of August. Takeshita's office explains, "On 21 August, there will be an opening ceremony for the Dunhuang Caves Cultural Relics Preservation, Research, and Exhibit Center (for which Japanese funding was decided under the Takeshita administration). He is only going to attend that ceremony." However, preparation for his meetings with Chinese key figures is progressing.

"Now that the 'old friends' who dug the well, such as Masayoshi Ito, former chairman of the Executive Council, and Kakuei Tanaka, former prime minister, have all died, Mr. Takeshita is the strongest tie (that China has). For China, involvement in the Recruit scandal or the Sagawa scandal does not matter. Good politicians to them are those who contribute to China. Because we want the fourth yen loan to be arranged soon, we'll welcome those politicians" (those around the Chinese Government).

Mr. Takeshita visited China during the Kaifu administration in September 1990, with a lot of souvenirs, such as the plan to unfreeze the third yen loan which amounts to 810 billion yen, which had been frozen after the Tienanmen incident, and the Kaifu autograph letter, and he showed off both at home and abroad his influence to the Kaifu administration. At the press conference with the reporters who accompanied him to China, he even referred to the time frame of the cabinet reform, and showed off his "closet government."

Though his next trip is not going to be such an outstanding production as the previous one, but in view of the times, it is certain that his actions will be focused on both in and outside Japan, when he discusses problems of North Korea and others with top officials of the Chinese Government.

What will be the next move for Mr. Takeshita, who is steadily regaining an active role? A close friend says, "The Murayama government is merely a numerical adjustment. If something happens, Deputy Prime Minister Kono will share the fate of the Murayama administration. Mr. Takeshita is implying that YKK's [Taku Yamasaki, Koichi Kato, and Junichiro Koizumi] Koichi Kato, chairman of the Policy Affairs Research Council, who has been left out of the cabinet, will be the next leader. A real LDP government is next."

It is commonly known that Mr. Takeshita is a "god of elections." He is said to have a thorough knowledge of estimated votes of even small cities, towns, and villages across Japan. These days, whenever he has time, he is practicing election under single-seat constituencies with a proportional representation system on the maps.

"In Mr. Takeshita's mind, the names of the government party candidates in all constituencies have already been posted. He seems to think that they can win the battle any

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time"(those around Mr. Takeshita). In that case, when will the House of Councilors be dissolved? His earlier mentioned friend predicts, "Those who will have to compete with the LDP in the local areas are members of the SDPJ. The SDPJ is falling apart now, because they are not able to agree among themselves on the coalition policy. Obviously, it is to the LDP's advantage to have the election before the SDPJ is ready. I think Mr. Takeshita calculates the dissolution to take place as early as December, and the general election in January." Though the chairman of the SDPJ is prime minister, the government will collapse if the LDP withdraws. Prime Minister Murayama may have to exercise his right to dissolve the Diet, which he does not wish to do.

Mr. Takeshita lectured in Tokyo last April and criticized Ichiro Ozawa, saying "a virtual image is walking by itself." What is really beginning to move by itself is the hidden influence of Mr. Takeshita.

Editorial Urges SDPJ To Change Its Thinking

OW1009115194 Tokyo YOMIURI SHIMBUN in Japanese 5 Sep 94 Morning Edition p 3

[Editorial: "Change Needed in the Entire Thinking of the Social Democratic Party of Japan (SDPJ)"]

[Text] SDPJ Prime Minister Tomiichi Murayama has recently initiated a reversal of key party policies, including its longstanding denial of the constitutionality of the Self-Defense Forces [SDF] and its opposition to the Japan-U.S. Security Treaty.

The party's "fundamental stance" adopted at its extraordinary party convention on 3 September poses many problems—it is deficient in rational argument and full of ambiguous expressions.

However, as SDPJ Secretary General Wataru Kubo remarked, the party's new direction should be applauded as a historic turning point for the SDPJ as well as for Japanese politics.

The party's shift in its fundamental policies should be included in its platform as soon as possible.

An attempt to water down the policy about-face, which was supported by 40 percent of participants [but rejected at the convention], was aimed at limiting the party's recognition of the SDF and other policy changes to the duration of the Murayama administration, thus differentiating them from the party's basic platform. This was but an opportunistic and cosmetic effort.

The party leadership seems to believe the policy reversals will be incorporated into the party platform in time for the "1995 declaration." But to do this, two-thirds of the party must approve the changes. The SDPJ leadership should work to dispel suspicions that once it is no longer part of the government it will revert to its former policies.

Unless the SDPJ demonstrates its commitment to the policy changes, it will not be seen as a responsible party.

Professor Masamori Sase of the National Defense Academy likens the SDPJ in its current form to a "a runner behind by a lap."

The party appears to have caught up with other parties with its decision at the party convention. But much that was said there shows that the party still remains one lap behind.

A typical example of this was the absence of debate on defense issues. The SDPJ discusses defense issues without any concept of how to ensure Japan's security. This is because the party remains mired in old habits of thought formed in the era when it called for "unarmed neutrality."

The "Challenge for Peace" document submitted to the convention lists numerical targets for downsizing the SDF, but fails to present clear grounds for the cuts. Its assessment of the international situation and Asian affairs, upon which disarmament would depend, lacks coherence. There is no logical consistency in its contention regarding the relationship between the SDF and the Japan-U.S. security treaty.

The SDPJ also still sticks to the idea of creating an organization separate from the SDF to participate in UN peace keeping operations (PKO). This reflects the fact that the party has yet to take to heart the notion that the SDF is constitutional.

At the convention, some members of the SDPJ's local chapters questioned the "raison d'etre of the party, if it relinquishes its traditional policy of opposition to the SDF and the Japan-U.S. Security Treaty." Others wondered on "what grounds the party could now appeal to the public." These arguments once again show the party lags a lap behind.

Social democratic parties in other countries, on which the SDPJ has tried to model itself, approved of defense forces and the concept of international alliances a long time ago, and these parties still exist. The SDPJ most certainly knows this.

We advise the SDPJ to break out of its old way of thinking, which belongs to the era when it was a perennial opposition party, and to learn from social democratic parties in other countries how it can become a constructive party.

If the SDPJ wants to maintain its vigor as a social democratic party, it must first of all break free of its concept of "one-nation social democracy."

Rengo's Yamagishi on Future of Politics

OW1109092494 Tokyo ASAHI SHIMBUN in Japanese 2 Sept 94 Morning Edition p 6

[Summary of an interview with Japanese Trade Union Confederation (Rengo) Chairman Akira Yamagishi by unidentified ASAHI SHIMBUN reporter; place and date not given]

[Text] [ASAHI SHIMBUN] The Social Democratic Party of Japan [SDPJ] plans to change its basic policies at a 3

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September party convention, including such issues as security and the Self-Defense Forces [SDF]. What do you think about this?

[Yamagishi] I support the plan in principle. As long as the party maintains that "the SDF is unconstitutional," it cannot stay in power. However, there will be problems if it changes its basic policies simply as a political tactic to maintain the coalition government, because the people will not then trust the party.

The party should also revise its party platform and make it clear this is a genuine change in political strategy and not simply a political tactic.

[ASAHI SHIMBUN] Don't you think the SDPJ will lose its particular characteristics?

[Yamagishi] There is, among SDPJ supporters, an apprehension that the Murayama Government is managed under the initiative of the Liberal Democratic Party [LDP]. Over the past two months the LDP has began to show its bad characteristics.

It seems that opinion is divided within the Cabinet on such issues as Cabinet members making official visits to the Yasukuni shrine, the enactment of a law to provide help for atomic-bomb victims, and Japan's acquisition of a permanent seat in the UN Security Council [UNSC]. Since it would not be desirable to leave the coalition, what the SDPJ has to do is to take initiative in managing the coalition by making clear the policy differences between it and the LDP after hammering out policies that reflect the party's characteristics. As an SDPJ member, I am concerned about the possibility the Murayama administration could help the LDP regain power.

[ASAHI SHIMBUN] Do you think it possible for the SDPJ and LDP to cooperate in fighting upper house and lower house elections under the new single-seat constituency system?

[Yamagishi] Given the current political situation in which we have a coalition government formed among the LDP, the SDPJ, and Sakigake [Harbinger], cooperation in elections will be very difficult. Rengo is puzzled about how exactly to deal with elections in such circumstances.

Three sorts of cooperation are possible in elections under the single-seat electoral system. One is electoral collaboration within the framework of cooperation between the former coalition and the SDPJ. This was what happened in the gubernatorial election in Hokkaido. The second would be electoral collaboration among the ruling parties in rivalry with the former coalition. This pattern is seen in the continuing campaign for upper house elections in Aichi Prefecture. The third possibility is cooperation between the current coalition and the former coalition. Rengo prefers the electoral collaboration that was carried out in the Hokkaido gubernatorial election. The second possibility, as seen in Aichi Prefecture, would be the worst choice and would fracture the unity of Rengo.

I hope the SDPJ makes a decision about the form of electoral collaboration it will carry out. I think it should entrust electoral collaboration to the decision of each of the party's prefectural chapters because Japanese politics is in a transitional period. If the party decides on electoral collaboration among the ruling parties in rivalry with the former coalition, the party will split.

[ASAHI SHIMBUN] Don't you think it would be impossible for the Murayama administration to continue if the party decided to adopt electoral collaboration outside the framework of the current coalition?

[Yamagishi] In the process of choosing candidates, discord will possibly occur among the LDP, the SDPJ and Sakigake as well as between the former coalition parties. However, I think both the LDP and the SDPJ will exercise self-restraint in the selection of candidates and, therefore, I do not think discord between them will immediately lead to the collapse of the coalition government.

I think the next general election will be held after autumn next year. I have a hunch the Murayama administration will, against expectations, remain in power a long time. This, however, will depend on the SDPJ not being decisively defeated in upper house elections and maintaining its unity despite internal divisions over such issues as tax reform, UN peacekeeping operations (PKO) activity, and Japan's acquisition of permanent membership of the UNSC.

[ASAHI SHIMBUN] Don't you think that, in the wake of the coalition government among the LDP, the SDPJ and Sakigake, it has become more difficult to establish a "liberal government"?

[Yamagishi] The SDPJ should make clear that it will cooperate with members of the Democratic Socialist Party [DSP] and the Japan New Party [JNP] to establish a liberal force. However, at present, it is difficult to set up a liberal group because the party is part of a coalition with the LDP. To achieve the goal of combining liberal forces, there must be an increase in the number of exchanges and meetings with policy study groups from other parties. Various moves are beginning to happen. The establishment of the policy study group "New Democratic Alliance" by members of the SDPJ on 31 August is worthy of note. I hope the new study group will serve as a nucleus for the promotion of moves toward putting together a supra-partisan liberal force. I give my full support to the new group. Although plans to put together a liberal forces seem at the moment to be medium or long term efforts, one task should be to shorten that period.

[ASAHI SHIMBUN] Do you hope to see such a liberal force put together during your service as Rengo chairman?

[Yamagishi] I had hoped so, but I gave up. I find I cannot keep up with the modern trend to order not from a daily menu but an hourly menu which lists dishes combining Japanese and Western styles, because I grew up with Japanese dishes.

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[ASAHI SHIMBUN] What do you think of a view that Rengo should not interfere in politics?

[Yamagishi] If we remained silent, Rengo would collapse. People must expect us to poke our pose into politics to protect our organization.

[ASAHI SHIMBUN] Your term of office expires next autumn. Do you have any blue-print for a new Rengo leadership?

[Yamagishi] I became a old-age pensioner in August, when I reached 65. I have to seriously accept this fact (laughter). I think I am at the stage where I am putting the finishing touches to what I have done.

JICA Issued Warning Over ODA-Linked Bid-Rigging

OW1209111794 Tokyo KYODO in English 1057 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—Foreign Minister Yohei Kono on Monday [12 Sep] warned his ministry's overseas assistance body, the Japan International Cooperation Agency (JICA), over a probe into alleged bid-rigging practices by major trading firms in the government's overseas aid projects.

Kono called JICA head Kimio Fujita to the ministry and issued the warning, a top Foreign Ministry official said.

Kono voiced regret that suspicion has risen regarding procurement practices for projects funded by Japan's official development assistance (ODA).

He reportedly instructed Fujita to improve the bidding systems or operations regarding procurement practices if there are any problems.

Kono also gave similar instructions to the Foreign Ministry's Economic Cooperation Bureau.

The Fair Trade Commission last Tuesday raided 37 major trading firms on suspicion of bid-rigging for purchases of equipment and materials for ODA projects.

The FTC suspects the trading firms decided in advance which would win in bidding on government contracts for the procurement of building materials and other items required for ODA-financed projects in developing countries.

Among the companies that allegedly violated the antimonopoly law are Itochu Corp., Mitsubishi Corp., Marubeni Corp., Kanematsu Corp. and Nichimen Corp.

The yearly amount of Japan's ODA was the world's largest for three years from 1991, with the 1993 level reaching 11.47 billion dollars.

Strong Yen Said To Be Bad for Global Economy

OW1209035694 Tokyo KYODO in English 0345 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—A top business leader stressed the need Monday [12 September] to bring down the value of the yen against the dollar, describing the yen's current level as a negative factor not only for the Japanese economy but the global economy as well.

"Wide fluctuations in the dollar as a key currency are a minus to the global economy, and it's not desirable for the United States either," said Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren).

Toyoda was speaking at a meeting of Keidanren's Committee on Japan-U.S. Midwest Economic Ties.

Turning to the approach of a U.S.-set Sept. 30 deadline for possible trade sanctions over government procurement practices, Toyoda said he hopes the U.S. Government will act in a calm manner.

Major Banks To Begin Deposit-Rate Competition

OW1009010394 Tokyo KYODO in English 0045 GMT 10 Sep 94

[Text] Tokyo, Sept. 10 KYODO—Major Japanese banks are poised to enter an era of deposit-rate competition, with the remaining regulations on deposit rates to be lifted next month.

But bankers and economists say it will take time for deposit rates offered by banks to vary drastically, indicating that depositors will not fully benefit from the deregulation anytime soon.

"We must avoid seeing the situation that our rates are lower than those offered by other banks," said an executive at one bank.

The forthcoming interest-rate deregulation is the final in a series of measures taken to liberalize interest rates at home, allowing depositors to select their bank accounts for attractive interest rates.

Each bank is planning to keep the rate on demand deposits, now set at an identical 0.22 percent per annum, at a level of just above 0.30 percent by limiting the increase as much as possible to keep fund-raising costs low.

A 0.1 percentage point increase in the demand deposit rate translates into an increase of 3 billion to 4 billion yen in annual fund-raising costs at each bank, bankers and economists say.

The tight regulation on demand deposit rates has served to keep them at low levels by and large, allowing banks to pay less for funds and spawning U.S. criticism that it is a kind of subsidy to banks.

As for saving-type demand deposits whose withdrawal is limited to within a certain period, banks are looking to raise the rate, now at an identical 1.56 percent, by about 0.1 percentage point and add new accounts with features such as higher rates or monthly compounded rates.

Consumption Tax Rate May Be Less Than 7 Percent

OW1209110494 Tokyo KYODO in English 1012 GMT 12 Sep 94

[Text] Tokyo, Sept. 12 KYODO—The head of the government's tax panel said Monday [12 Sep] he will not persist in

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a raise of the consumption tax rate to 7 percent from the present 3 percent, as his panel earlier recommended.

Delivering a speech at a business meeting, Kan Kato said, "7 percent is not a definite target and can be revised regarding how far the consumption tax rate is to be hiked, if the government makes efforts (to reduce spending)."

The Tax Commission, which advises the prime minister, proposed in June hiking the consumption tax to at least 7 percent to secure funding for welfare policies amid the rapid graying of the society.

Kato said that if the panel insists on the 7 percent figure, "we may even miss the chance of raising the consumption tax."

Kato also said the government should not avoid the issue of the tax hike while implementing income and other tax cuts, which the panel also proposed in June.

"They should be handled together. Otherwise, we will be facing hyperinflation in the future," he said.

MITI To Survey Management of Defense Contractors

OW1009044694 Tokyo ASAHI SHIMBUN in Japanese 6 Sep 94 Morning Edition p 3

[Text] The Ministry of International Trade and Industry [MITI] will start conducting a survey this fall of the actual management conditions of small-to-medium sized defense contractors. This will be MITI's first investigation of its kind. Studying actual conditions, including management situations and technological quality, of subcontractors of the defense industries who have been hit by the government's decision to curb defense spending, MITI plans to protect technologies, which are the foundations of national defense, and support the defense contractors.

A special characteristic of the defense industries is that in addition to such major corporations as Mitsubishi Heavy Industries, Ltd. and Kawasaki Heavy Industries Ltd, small-to-medium sized companies are also involved in the production of defense goods as subcontractors or sub-subcontractors.

According to a survey conducted by Japan Ordnance Association [JOA], which is composed of the major defense contractors and other companies, in October last year, 1,898 and 1,316 secondary subcontractors are respectively involved in the 61DD escort ship construction project of Ishikawajima-Harima Heavy Industries Co., Ltd. and F-15J fighter project of Mitsubishi Heavy Industries, Ltd.

Many of the subcontractors pursue nonmilitary trade as side businesses, and the smaller the subcontractors become, the more they rely on defense business. According to a survey conducted of the 319 main contractors and primary subcontractors involved in the production of the type-90 tank, only three companies with more than 1,000 employees each made more than 50 percent of their sales in the defense area. As compared to this, 11 companies with less than 20 employees made more than 50 percent of their sales in the defense area. Moreover, it is said that many companies who highly rely on defense business have their own technologies.

Such companies are located near factories and project sites of major corporations and companies of middle standing [chuken kigyo]. Even the JOA, which is composed of 128 companies, does not have a sure grip on the overall conditions of the defense industries, including small companies.

Through help from the JOA, MITI will carry out investigations by tracing down as far as to the secondary and tertiary subcontractors, who buy parts from the major corporations and companies of middle standing. MITI will complete its analysis by the middle of FY1995 by investigating management changes—which were brought about following the reduction of contracts for the current mid-term defense buildup plan—and the quality of technologies of companies which have their own technologies.

MITI plans to reflect the outcomes of the survey through concrete policies. The same ministry also wants to promote measures for expansion and improvement of the area covered by support measures—including a "law for the smooth promotion of efforts by small-to- medium sized companies for making inroads into new areas," which was enforced in November 1993 and is designed to provide subsidies and preferential tax treatment—during and after FY1996.

MITI: Technology Aid to Developing Nations

OW1009080794 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Sep 94 Morning Edition p 5

[Text] The Ministry of International Trade and Industry [MITI] intends to strengthen technological assistance to developing nations. MITI will develop laser beam processing technology for semiconductors, high polymer materials which will be made from plants, light-weight structures, and other technology, jointly with China, South Korea, the Philippines, Thailand, Indonesia and other countries respectively beginning fiscal 1995. These developments will be conducted in the form of joint projects between Japan and each nation's national research institutes. MITI has included necessary spending in its budgetary request for fiscal 1995.

MITI will conduct joint development of laser beam processing technology of semiconductors with China and South Korea respectively. It is said that the use of lasers would reduce the cost of semiconductor production to about one-tenth of the production cost with the conventional "sputtering system," which uses an electron beam.

In developing materials from plants, MITI will create urethane structures by using beanstalks and pods, in cooperation with Thailand and Costa Rica. It is noted that urethane structures are used as construction materials and can be decomposed for disposal.

In addition, with Indonesia MITI will develop light-weight structures made from coconuts which are similar to paper

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and plastic in terms of quality. It intends, jointly with the Philippines, to develop technology to desulfurize coal ash in an effort to help the country take environment-protection measures at coal fired power plants.

STA Surveys Impact of Science, Technology

942A0668A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 5 Sep 94 p 5

[Text] The Science and Technology Policy Research Center of the Science and Technology Agency [STA] has compiled a report investigating what influence advanced specialized science and technology exerts on man and society. As a result of the analysis of people's awareness of science and technology made by questionnaire, it was made clear that, while advanced tedhnology serves to improve the convenience of living, its contribution in the fields of environment, safety, and medical care is meager. Moreover, the report notes that anxiety tends to increase about humanity being regarded lightly and indicates the points that should be noted in promotion of science and technology.

The survey was a questionnaire targeted at 1,000 average people (600 valid responses) implemented jointly with the Nomura Research Institute and the "Research Committee Related to the Influence Science and Technology Exerts on Man and Society" (Chairman: Reikichi Shirane, Tama University professor), which was established within the Science and Technology Policy Research Center, and an analysis was made of the functions that can be expected of science and technology and the items that must be considered.

On the positive aspects in the evaluation of success so far, although there was a strong awareness of "labor-saving in housework" and "simple and high-speed movement," slight contributions were noted for "solving pollution and global environment problems," "saving energy and saving resources," and "being in a safe world," rather they were raised as fields with expectations for the future.

As for the negative aspects, many responses pointed out the "technology stress" where dealing with different kinds of electronics products has become difficult and anxiety is felt, and "the light regard for humanity" or "deprivation of work" where the feelings and affections of man are apt to be ignored.

As methods to eliminate the influences of the negative aspects, there was great support for "business carrying out the development of products while giving full consideration to them" or "the nation creating guidelines and carrying out business leadership and regulation while listening to the opinions of experts."

As items which can be expected from future science and technology, there were four, such as "safe conditions for living" and "mental comfort," and as points which should be considered, five key phrases were extracted, such as "anxiety about the worsening environment," "control by machines," or "loss of humanity." It is said that the survey results will be used in drawing up future science and technology policy.

Kyocera Group Performance Viewed

942A0684A Tokyo NIKKEI KINYU SHIMBUN in Japanese 2 Sep 94 p 22

[Text] President Kensuke Ito declared, "We are now seeing the full-fledged benefits of affiliation with DDI and U.S. subsidiary AVX. The Kyocera companies are now about to embark on the second stage of their growth history."

Sales for the Kyocera parent group have stagnated for the past 10 years, but for the year ending in March 1995, the group is expected to record 331 billion yen in sales for a growth of 10 percent over the prior year and exceeding the historical high of 330.8 billion yen for the year ending in March 1991.

Consolidated Sales To Rise 10 Percent

Concurrently, consolidated sales are expected to rise 10 percent and before-tax profits are expected to remain at 68.5 billion yen. Superficially, this figure shows no change from the previous year, but if one-time profits and expenses associated with the public offering of DDI stock in the amount of 14.3 billion yen in profits are excluded from prior-year figures, this year's before-tax profits will show a rise of 27 percent. The ratio of consolidated profit to parent company profit will be 1.62, enabling the approximate maintenance of the 1.67 ratio of the prior year.

Contributing to group profits is major U.S. condenser maker AVX and U.S. connector maker Elco. AVX, which was purchased in January 1990, recorded sales of about $740 million in the previous year or 1.8 times the sales recorded before its purchase. It is expected to register sales gains of 13 percent and reach operating profit levels of 10 percent. Elco is expected to record similar gains. President Ito provides the analysis that, "The markets have improved, and benefits have been gained from the integration of subsidiary operations with those of the parent company."

AVX operates production centers in 21 locations throughout the world such as in Indonesia and plays a central role in the electronic parts business of the Kyocera Group's overseas operations. AVX products have been jointly developed with Kyocera, are being sold under the "AVX/Kyocera" brand, and have taken advantage of Japanese manufacturer expansions in the Southeast Asian region and growing demand for parts in the U.S. market.

Kyocera owns 429,000 shares of DDI stock, showing paper profits of 430 billion yen. However, President Ito says, "We have no intention of selling the DDI stock," which means that these potential profits will not be cashed in.

Although Kyocera is a leading shareholder of DDI with 22.3 percent, in the former's consolidated earnings reports, DDI holdings are merely listed as an investment position of the size indicated. In its report for the previous year, profits from DDI holdings amounted to 5.1 billion yen or 7 percent of profits before taxes. For Kyocera, DDI holdings

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have only limited operating profit merit, but provide for synergistic effects in telecommunications projects through capital affiliations.

Favorable Sales of Cellular Telephones

Since the beginning of this fiscal year, sales of the "HP131" series cellular telephones through DDI-affiliated cellular firms have grown sharply. Until last year, Motorola products were the top sellers, but HP131 models currently command about 50 to 60 percent of sales. This fiscal year's sales of cellular telephones are expected to exceed initial sales plans by 8 billion yen to reach about 25 billion yen, or 2.3 times that of the prior year.

Expansion in sales of telecommunications equipment is benefiting group sales as a whole. Electronic parts sales centered on telecommunications equipment are expected to rise 10 percent this fiscal year. In the semiconductor division, microprocessor and telecommunications equipment destined ceramic packages sales appear to be rising.

If personal handyphone systems (PHS) projects are initiated, synergistic effects of DDI should grow even stronger. Prospects are strong that the Ministry of Posts and Telecommunications will designate the DDI group as a PHS business operator. If that happens, Kyocera will probably become a major supplier of PHS land stations and PHS telephone instruments. Of special note is that Kyocera has the rights to serve as sole supplier of a DDI-Kyocera-developed dedicated LSI to cellular instrument makers. Sales to PHS makers are projected to reach 30-50 billion yen next fiscal year.

However, there is no change in the fact that overall corporate profits are structurally subject to the fluctuations in profits of the semiconductor division. Of consolidated operating profits of 50.4 billion yen in the previous fiscal year, those attributable to "ceramic and related products" was 89 percent, and operating profit rates were 13.7 percent. According to a CS First Boston estimate, one-half of the overall operating profits were attributable to the semiconductor division for such products as MPU [microprocessor unit]-destined packages. However, instability exists in personal computer maker demand for MPU-destined packages, and there is the possibility that such packages will be substituted by plastic in the future.

Enhancement of Downstream Competitive Strength

On the other hand, despite the expansion in sales of cellular telephones, consolidated operating profits of the electronic equipment division were 3.3 billion yen in the last fiscal year, reflecting a drop of 1.1 billion yen from the prior year. Operating profits on sales was only 5.3 percent. They were affected adversely by slow sales of personal computers and printers. Although the optical-precision division recovered profitability, the profit levels are still low.

Kyocera, which plans to evolve from a parts and raw materials maker to a set maker, faces the major issue of how to enhance its competitive strength as a downstream manufacturer in areas where it cannot realize the effects of synergy with DDI such as electronic and optical equipment.

North Korea

U.S. Delegation Arrives in Pyongyang 10 Sep

SK1009122094 Pyongyang Korean Central Television Network in Korean 1100 GMT 10 Sep 94

[Text] A delegation from the U.S. State Department, which will attend the expert-level negotiations regarding the establishment of liaison offices between the DPRK and the United States of America, arrived in Pyongyang by air on 10 September.

Expert-Level Meeting Begins

SK1009230794 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 10 Sep 94

[Text] In accordance with the statement of agreement announced between the DPRK and the United States in Geneva on 12 August, expert-level negotiations [hyopsang] began on 10 September in Pyongyang between a delegation of our country's Foreign Ministry and a delegation from U.S. State Department regarding the exchange and establishment of liaison offices between the two countries.

Protest Against U.S. 'Trade Pressure' Noted

SK1009101094 Pyongyang KCNA in English 1003 GMT 10 Sep 94

["Stop To Unjustifiable U.S. Trade Pressure Demanded"—KCNA headline]

[Text] Pyongyang, September 10 (KCNA)—Members of the National Alliance for Democracy and Reunification (Chongukyonhap) staged a demonstration in front of the U.S. embassy on September 7, urging the U.S. Government to stop its unjustifiable trade pressure, a Seoul-based radio reported.

In a protest letter to the U.S. ambassador to South Korea, Chongukyonhap said the South Korean people now are incensed at the U.S. trade pressure and demanded that the U.S. Government promptly stop its pressure for an unconditional opening of the agricultural market.

Exercises of 'U.S. Imperialist Warmaniacs' Noted

SK1109083494 Pyongyang KCNA in English 0817 GMT 11 Sep 94

["War Games Against the North"—KCNA headline]

[Text] Pyongyang, September 11 (KCNA)—The U.S. imperialist warmaniacs and the South Korean puppets staged war games against the northern half of Korea, according to military sources.

On Sept. 7, some 320 fighter planes of the South Korean puppet air force and the U.S. Eleventh Air Force present in South Korea conducted provocative war exercises in the

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sky above West Sea off Sosan Peninsula in coordination with scores of planes from the U.S. aircraft carrier.

On the same day, 20 odd helicopter gunships staged a missile striking drill against the targets of our side in low-altitude flight in the skies above Majon-ri, Yonchon County and Paekyon-ri, Paju County of Kyonggi Province, the frontline areas, inciting a war fever.

And about 1,850 armed bandits of the puppet army, deployed in the areas around Upnae-ri, Chorwon County and Onghyon-li, Kosong County of South Korean Kangwon Province under the eyes of our side, took up position and got fully prepared for firing, getting on our nerves. Earlier, on Sept. 4, 5 and 6, the U.S. imperialist warmaniacs and the South Korean puppets staged war exercises against the northern half of Korea in the sky and on ground with mobilization of hundreds of planes, 105mm artillery groups, heavy tank groups and hundreds of armed bandits of the puppet army in the skies above Uijongbu, Kapyong, Anmyon and Tokjok Islets and in Paju and Yonchon Counties, Kyonggi Province of South Korea.

The war gambles frantically staged by the warmaniacs of the U.S. imperialist aggression forces and the South Korean puppets almost every day are a grave challenge to detente and peace in the Korean peninsula.

'Puppets' Military Provocation in DMZ Decried

SK1109082194 Pyongyang KCNA in English 0812 GMT 11 Sep 94

["Another Military Provocation in DMZ"—KCNA headline]

[Text] Pyongyang, September 11 (KCNA)—The South Korean puppets Wednesday [7 September] deployed a recoilless gun at the [word indistinct] post in the Demilitarized Zone south of Cholwon County and sent some 130 bandits armed with machine guns and automatic weapons into the DMZ south of Kosong County, according to military sources.

On the same day, hundreds of heavily armed bandits of the puppet army took up positions in the DMZ south of eastern and central sectors of the front, boiling up the situation.

The more frequent military provocations of the South Korean puppets fully show how amuck the traitor Kim Yong-sam clique are running to render the situation of the Korean peninsula strained. The South Korean puppets must not rashly act, squarely looking at the danger from the worsening tension in the DMZ.

Reunification Committee Denounces 'Provocations'

SK1009044794 Pyongyang KCNA in English 0437 GMT 10 Sep 94

[Text] Pyongyang, September 10 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland published its Information No. 656 Friday condemning the military provocations committed by the Kim Yong-sam traitor group almost every day in the area along the Military Demarcation Line against the northern half of the country.

The information says:

The Kim Yong-sam group brought some 1,000 bandits armed with machine guns and automatic weapons together with heavy weapons and military vehicles into the demilitarized zone [DMZ] in the period from Sept. 3 to 5. In August alone, they introduced 17,800 armed bandits, more than 8,300 vehicles of different kinds and 20 odd pieces of heavy weapons into the DMZ, threatening the North side.

These military provocations coinciding with the criminal "Ulchi Focus Lens" joint military exercise they are frantically staging with the United States against our Republic, tell that they are running about without discretion to aggravate the situation on the Korean peninsula.

The information continues:

The entire fellow countrymen in the North, South and overseas and the world wholeheartedly hail the agreed statement between the DPRK and the United States now, ardently hoping that the DPRK-U.S. relations will be improved as soon as possible and a durable peace on the Korean peninsula and its peaceful reunification be achieved with its successful implementation.

For the South Korean puppets to commit adventurous military provocations against the North almost every day, massing armed forces in the area along the Military Demarcation Line, at such a time is a premeditated act to obstruct and block the smooth progress of the DPRK-U.S. talks and the improvement of their relations by deliberately rendering the situation of the Korean peninsula strained. And it is the last-ditch efforts of the poor stooge who feel uneasy, left all alone.

The Kim Yong-sam group must clearly know that the military provocations will only precipitate their destruction in isolation within and without, the information warns.

Increase in ROK's Defense Budget Condemned

SK1009042494 Pyongyang KCNA in English 0414 GMT 10 Sep 94

["Folly Against Trend of Time"—KCNA headline]

[Text] Pyongyang, September 10 (KCNA)—The Kim Yong-sam group's scheme to beef up the aggressive military "budget" under the disguise of "defence spending" shows that it seeks only confrontation and war, stresses NODONG SINMUN today.

The news analyst says:

The South Korean rulers' continued reinforcement of military strength is an anachronistic act.

This is patent proof that the Kim Yong-sam group dislikes detente and reunification and tries to get something from the increase of the military tension.

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On this extension line, the South Korean rulers, though they had committed themselves to the North-South summit talks, exacerbated the North-South confrontation after a misfortune befell fellow countrymen and are stooping to any infamy in mendicant diplomacy in a bid to put a spoke in the wheel of the progressing talks between the DPRK and the United States.

If there is instability on the Korean peninsula, it is the hopeless crisis of the "civilian government", which has been caused by the Kim Yong-sam group itself.

As soon as the "civilian" regime of Kim Yong-sam took office, it worked out and consumed a "defence budget biggest ever in history," the kind of which had not been seen even in the period of military dictatorship. And now it is going to increase the "defence spending" by more than 1,000 billion won next year. This shows it is a group of warmaniacs in plain clothes.

ROK's Kim Yong-sam Called Troublemaker

SK1009102494 Pyongyang KCNA in English 1014 GMT 10 Sep 94

["Trouble-Maker Must Be Removed in Time"—KCNA headline]

[Text] Pyongyang, September 10 (KCNA)—With Kim Yong-sam left alive, neither independence and democracy in South Korean society nor national reconciliation and unity nor the improvement of the North-South relations and peace and reunification of the country can be expected. If such trouble-maker as Kim Yong-sam is left alone any longer, the nation cannot avoid a disaster.

This is stressed in NODONG SINMUN today.

The author of the article says:

When taking office, Kim Yong-sam declared that he would build a "new Korea" in South Korea. But, the notorious "National Security Law" remains in force, the repressive machines including the "Agency for National Security Planning" that he promised to trim down have been reinforced, and the Team Spirit joint military maneuvers have been resumed to carry the North-South confrontation to a more acute phase.

Abusing maliciously the death of the great benefactor who had opened a way out to him, Kim Yong-sam persisted in North-South confrontation, desperately worked to obstruct the third round of talks between the DPRK and the United States and brought forward the "human rights" problem in the North.

Kim Yong-sam who has done nothing but harm to the country and the nation over the last one year and a half since he took office is a renegade who is not entitled to be a "president."

Without his own opinion and independence, he has danced to the tune of others, denied what he had just said, and told one lie after another.

He has served outside forces with meanest flunkeyism and treachery, betrayed anyone and transformed himself in a moment with a masterful art of disguise to gratify his greed for power, and for this he could claw his way to power.

The South Korean people say the name of Kim Yong-sam is not fit for "president." According to their account, young means zero and sam means three. In other words, he is zero in politics, in economics and in ethics.

The "patrons" of Kim Yong-sam now feel disillusioned about him and seem to know they would lose face, if they befriend him any more.

The grave of history is the only place left for Kim Yong-sam who is forsaken at home and abroad as rubbish of the nation and the time.

ROK 'Must Stop' Its Nuclear Development

SK1209051394 Pyongyang KCNA in English 0503 GMT 12 Sep 94

["S. Korean Rulers Must Stop Their Development of Nuclear Weapons"—KCNA headline]

[Text] Pyongyang, September 12 (KCNA)—The South Korean ruling quarters are calling for "the transparency of the past nuclear activities" of the North in an effort to put a spoke in the wheel of the DPRK-U.S. talks, irritated and uneasy about its progress. Commenting on this, a NODONG SINMUN article today says this is a shameless act of a guilty party filing the suit first.

The author of the article says:

The nuclear weapons development by the South Korean rulers did not begin yesterday or today. They promoted it from the end of the 1960s.

The Defence Science Institute was founded in 1970 for the purpose of the development of nuclear weapons. The Atomic Energy Institute made its appearance in 1973, to be followed by the emergence of a group for the development of nuclear missiles in the following year and a complex for the development of nuclear fuel in 1976.

The South Korean rulers developed the nuclear fuel for heavy water reactors in 1986 under the cloak of "the localisation of nuclear fuel production" and domestically secured the whole amount of nuclear fuel needed by the Wolsong heavy water reactor in 1987. They completed a multi-purpose research reactor, one of the core devices used for the reprocessing of nuclear fuel and the manufacture of nuclear bombs, in 1992. They promoted the creation of the Taedok research complex, the general headquarters of the development of nuclear weapons, 4 or 5 years earlier than the plan. As a result, the industrial foundation for the development of nuclear weapons has been completed and it has entered a stage of being put to practical use on a fuller scale.

The nuclear armament of South Korea has been stepped up more openly by the Kim Yong-sam group under the "civilian" veil. It has set about the development of a new fast

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breeder reactor, far from scrapping the Wolsong heavy water reactor and multi-purpose research reactor where plutonium can be extracted.

The development of nuclear weapons in South Korea has reached the stage of practice and completion, going beyond the stage of research. Having laid the industrial foundation for producing nuclear weapons, the South Korean authorities have secured no small amount of fissionable materials and are manufacturing nuclear bombs in secrecy at dispersed plants and they possess many nuclear delivery means.

Unless the drive of the South Korean warmaniacs for nuclear armament is checked, the denuclearisation of the Korean peninsula cannot be realized nor can peace and security in Asia be guaranteed.

The South Korean rulers must not cry for "the transparency of the past nuclear activities of the North," but open to the public the truth of the development of nuclear weapons in South Korea and stop it without delay.

Response to UPU Head on N-S Postal Exchanges

SK1209104394 Pyongyang KCNA in English 1031 GMT 12 Sep 94

["DPRK's Position on North-South Correspondence"—KCNA headline]

[Text] Pyongyang, September 12 (KCNA)—Kim Hak-sop, minister of Post and Telecommunications of the Democratic People's Republic of Korea, sent a reply letter to director-general of the International Bureau of the Universal Postal Union (UPU) A.C. Botto de Barros today clarifying the DPRK's position on his letter concerning a resolution calling for correspondence between the North and the South of Korea which was adopted at the 21st UPU meeting on September 8.

The reply letter said:

We have welcomed correspondence between the North and the South and it is our consistent stand.

From the first days of the country's division we have put forward proposals several times for exchange with South Korea in post and telecommunications and taken a series of practical measures to put them into effect.

Our compatriotic and humanitarian offers, however, have failed to evoke a response from the South Korean authorities.

South Korea has "the National Security Law" [NSL] in force which defines the North as "an anti-state organization" and its people as "members of the anti-state organization" and bans contact, correspondence and telecommunications between the North and the South.

In South Korea those who exchange letters, telephone calls and telegrams with people in the North are subjected to investigation without exception and they are arrested and punished severely on the charge of "anti-state acts."

In actuality, correspondence between the North and the South does not need the mediation of others.

It is my opinion that if you want to render help as regards this issue, you had better lift up voices denouncing the anti-national, anti-ethical acts of the South Korean authorities and urging the abolition of "the NSL".

Believing that you will affirmatively respond to my advice, I express the hope that you will make efforts to further expand and develop cooperative relations between the Ministry of Post and Telecommunications of the DPRK and the UPU.

Vice President Tells Japan's Inoki of Rice Crop

OW0909141494 Tokyo KYODO in English 1354 GMT 9 Sep 94

[Text] Pyongyang, Sept. 9 KYODO—North Korean Vice President Yi Chong-ok told Japanese House of Councillors member Kanji (Antonio) Inoki on Friday [9 Sep] that the country's rice farmers had rich crops this year.

Inoki, a former pro-wrestler and head of the tiny Sports Peace Party, met with the vice president at the Mansudae assembly hall.

Yi thanked Inoki for his visit "during this very fortunate period," referring to the rich harvest.

In Dakha, however, a local English-language newspaper reported that North Korea has asked Bangladesh to supply rice worth 37 million dollars under barter trade arrangements, China's XINHUA NEWS AGENCY reported.

Inoki is visiting North Korea at the invitation of the State Physical Culture and Sports Committee and a North Korean Committee for Peace in the Asia-Pacific Region.

Yi said he was very "moved" that Inoki came to North Korea to pay respects to the family of his mentor Kim Sin-yak, a famous Korean pro wrestler in Japan in the 1950s known as Rikidozan.

Inoki responded that he views his visit as a way to repay his master's kindness. "Rikidozan has given hope and courage to the Japanese people in the postwar reconstruction period," Inoki said.

He thanked Yi for being given the opportunity to visit his master's home country.

Fitness-conscious Inoki earlier Friday baffled Pyongyang citizens with his jogging exercises through downtown streets, an unusual sight in North Korea.

Inoki ran from the guesthouse, where he stays, to the May Day Stadium on Rungna islet, which can accommodate 100,000 spectators. A stadium employee expressed his surprise saying, "he might be a politician, but that he's an athlete too makes quite a difference."

Startled civilians and soldiers watched Inoki as he waved at them while jogging by. Some children waved back.

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Inoki, who still suffers from a knee injury, said he loves to jog when he is abroad because "this is a way to get to know streets and people."

The pro wrestler-turned politician received a present from Kim Chong-il, son and heir apparent of the late North Korean President Kim Il-song.

The present was delivered by Kim Yong-sun, a secretary of the Workers Party of Korea, who also heads the committee which invited Inoki.

The sender identified himself as "Central Committee of the Workers Party of Korea, Kim Chong-il." Inoki said this was surprising, since Kim in a thank-you message in response to Inoki's condolences over the president's death, still had referred to himself as "supreme commander," a post he assumed in December 1991.

It might indicate that Kim, who has not been seen in public since July 20, has proceeded a step forward in the intra-party succession struggle.

Kim had been expected to assume the titles of leadership following his father's death two months ago but has yet to be elevated to president and party general secretary.

Chinese Friendship Groups Host Founding Banquet

SK1109021994 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 8 Sep 94

[Text] The Chinese People's Association for Friendship with Foreign Countries and the China-DPRK Friendship Association jointly hosted a banquet in Beijing on 7 September in celebration of the 46th anniversary of the founding of the DPRK.

A placard reading "Congratulating the 46th anniversary of the founding of the DPRK!" was put up in front of the banquet location.

Chu Chang-chun, our country's ambassador to China, embassy members, and our country's students and apprentices studying in China were invited to the banquet.

Present at the banquet were Qi Huaiyuan, member of the CPC Central Committee, director of the Office of Foreign Affairs of the State Council, and president of the Chinese People's Association for Friendship with Foreign Countries; Chu Yueli, president of the China-DPRK Friendship Association; Li Chengren, deputy head of the International Liaison Department of the CPC Central Committee; Xu Wenbo, vice culture minister; and other relevant functionaries.

President Qi Huaiyuan and Ambassador Chu Chang-chun spoke at the banquet.

President Qi Huaiyuan extended fervent greetings to the Korean people, who are observing their national day, and went on to say: Under the leadership of President Kim Il-song, the Korean people waged outstanding struggles for a long time. In so doing, the Korean people became the masters of the regime and, thus, founded the DPRK and achieved the remarkable accomplishments admired by the world people.

Today, the Korean people are struggling to build a more prosperous country by firmly uniting around the Workers' Party of Korea [WPK] headed by [subanuirohanun] Comrade Kim Chong-il.

The Chinese People are truly excited over the achievements accomplished by the fraternal Korean people and wish them new and bigger achievements in their great cause for building the country. In addition, we, as in the past, will steadfastly support the efforts made by the Korean party and Government to alleviate tensions on the Korean peninsula.

China and Korea are friendly neighbors sharing mountains and rivers. The peoples of the two countries have forged a time-honored traditional friendship and marched along, while supporting each other.

Today, the traditional friendship between the two peoples is steadily developing and being strengthened amid the warm interests of the parties and leaders of China and Korea.

We hope to work jointly with the Korean people for the steady consolidation of cooperative relations and traditional friendship between the two peoples.

The participants of the banquet toasted for the long life of the dear leader Comrade Kim Chong-il, for the long life of respected Comrades Deng Xiaping and Jiang Zemin, and for the long life of other leaders of the party and state of China.

Withdrawal of Allied Forces From Germany Viewed

SK1009104394 Pyongyang KCNA in English 1036 GMT 10 Sep 94

[Text] Pyongyang, September 10 (KCNA)—A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea answered a question put by KCNA today concerning the withdrawal of the allied forces from Germany.

He said:

The Armed Forces of the United States, Britain and France reportedly left West Berlin in the wake of the recent withdrawal of the last unit of the Russian Army from eastern Germany.

The withdrawal of the allied forces from Germany is a significant event that liquidated the legacies left over by the Cold War in Europe.

We appreciate the efforts made by Germany and the nations concerned to close "the last chapter of the Cold War era."

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The DPRK Government has consistently called for the withdrawal of the foreign troops and military bases from the territories of other nations.

The old international relations of the Cold War era must be removed as early as possible in the northeast Asian region including the Korean peninsula, too.

Kim Il-song's Feats, Son's Leadership Hailed

SK1009123194 Pyongyang Korean Central Broadcasting Network in Korean 0200 GMT 10 Sep 94

[Unattributed Talk: "The Great Leader Comrade Kim Il-song Is With Us Forever"]

[Text] It has been two months since the unexpected death of our respected and beloved father Comrade Kim Il-song, who devoted his entire life to the popular masses' cause of independence and carried out his energetic activities until the last moment of his life for the growth and prosperity of the fatherland, for the people's happiness, for reunification of the country, and for independence of the world.

With heartbreaking yearning for the great leader, a great hero and great father whom our nation greeted and upheld for the first time in its thousands-of-years history, our people are visiting the fatherly leader's statues located at different places in the country.

The dear leader Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, presented the slogan "The great leader Comrade Kim Il-song is with us forever," reading the people's unanimous mind of longing for the fatherly leader.

The great leader Comrade Kim Il-song has regrettably left us, but the leader's immortal revolutionary achievements and his lofty traits will be deeply inscribed forever in the hearts of our people and all the progressive people of the world.

The dear leader Comrade Kim Chong-il noted: If we did not have the great leader, we could not imagine either the authority and dignity of our party or the honor of our fatherland and people today.

"The great leader Comrade Kim Il-song is with us forever." This slogan potently reflects our people's loyal faith to uphold the respected and beloved leader Comrade Kim Il-song as the great leader forever, and to eternally glorify the great revolutionary achievements he accumulated throughout his life.

The respected and beloved leader Comrade Kim Il-song launched us along the road of revolution when he was young, and wisely led our party and people for a long time until he was over eighty, thus accumulating the great achievements that will shine forever in the history of our nation and the history of mankind.

The respected and beloved leader Comrade Kim Il-song was an outstanding ideological theorist and genius of leadership who led the revolution and construction along the single road of victory after creating and brilliantly embodying the immortal chuche idea. He was the people's great father who boundlessly loved the people and devoted all he had to the people.

The great leader Comrade Kim Il-song achieved the historic cause of the fatherland's liberation by organizing and leading the twenty- year anti-Japanese revolutionary struggle to victory, and prepared the honorable revolutionary tradition, an everlasting footstone of our party and revolution.

Under the complicated situation following liberation, the great leader Comrade Kim Il-song presented and brilliantly achieved a chuche-based line of building the party, the country, and the army. By doing so, he founded the Workers' Party of Korea, the general staff of our revolution; established the DPRK, the honorable fatherland of our people; and raised our People's Army, which has inherited the tradition of the Korean People's Revolutionary Army, to be an invincible revolutionary army.

Shouldering the very burden of the heated and gruesome [kayol chojorhan] fatherland liberation war, comrade Kim Il-song, a great military strategist and an ever-victorious, iron-strong sagacious general, aroused the army and people to the heroic struggle for victory in the war, and smashed the armed invasion of the aligned forces of imperialists, thus brilliantly defending the fatherland's independence and honor.

The great leader Comrade Kim Il-song turned our country, which lagged a century behind and where poverty prevailed, into a socialist power of independence, self-reliance, and self-defense; enabled our people to become a most esteemed, dignified, and happy people; and created a worldwide model of socialism.

Comrade Kim Il-song, who was the lodestar of the fatherland's reunification and an outstanding leader of the international communist movement, presented a just principle and reasonable method for independent and peaceful reunification of the fatherland, opening bright the prospect of the fatherland's reunification; he energetically carried out activities for peace in the world and for friendship and unity among the peoples, greatly elevating our country's position and authority in the international arena and making great contributions to the cause of mankind's liberation.

Comrade Kim Il-song, the benevolent father of the people, considered the slogan "Serve the people like the heaven" as a maxim during the entire course of his revolutionary activities; was always with the people; shared sufferings and joy with the people; and made endless efforts, walking a long way in on-the-spot guidance through steep mountains and dangerous high ranges for the people's freedom and happiness. This is why our people never forget the fatherly leader's great love and benevolence, and bear deep in mind the lofty trace of the leader's leadership.

The respected and beloved leader Comrade Kim Il-song's great life was the life of the greatest leader of the working

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class, who firmly prepared all assets for the ultimate victory of the chuche revolutionary cause.

The great leader, who had early on keenly envisaged the inevitability [happopchiksong] of the revolutionary cause to be passed down from generation to generation, prepared the firm and stout blood line [hyoltong] of our party and revolution, and solved the problem of succession to the leader's revolutionary cause in a most brilliant way. Thus, he made our people a happy people, blessed with another good leader [suryongbogul tagonan haengbokhan inmin] who is able to stoutly succeed the lifeline of the revolution, upholding the great leader [chidoja] of the people who has extraordinary wisdom and seasoned leadership, and enabling them to stoutly succeed.

The respected and beloved leader prepared all political, ideological, material, technological, and military bases for our people to consummate the socialist, communist cause under the leadership of Comrade Kim Chong-il, the dear leader of our party and people. This is the greatest and most brilliant among all achievements accumulated by the respected and beloved leader for the fatherland and revolution. The immortal achievements accumulated by the great leader for mankind will be kept forever in our hearts and will shine with the century.

The slogan "The great leader Comrade Kim Il-song is with us forever" also implies our people's firm will to consummate the chuche revolutionary cause explored by the respected and beloved leader under the party's leadership.

Comrade Kim Chong-il, the great successor to the chuche cause, the outstanding leader [kolchurhan yongdoja] of our party and people and supreme commander of our revolutionary armed forces, is standing at the front of our revolution today. The dear leader Comrade Kim Chong-il's seasoned leadership is a firm guarantee to brilliantly succeed and consummate the chuche revolutionary cause explored and led by the great leader Comrade Kim Il-song from generation to generation.

We have the infinite strength of all the people who are united as one around the party, the invincible revolutionary armed forces, the most superior socialist system, and the powerful self-reliant national economy. Thanks to these strong weapons and rock-firm basis, we can resolutely protect and defend the chuche revolutionary tradition and immortal achievements profited by the respected and beloved leader Comrade Kim Il-song, and can consummate Comrade Kim Il-song's cause.

As long as we uphold at the head of the revolution the dear comrade leader, who has both literary and military accomplishments and is leading the revolution of our times to brilliant victory, the ultimate victory of the chuche revolutionary cause explored by the respected and beloved leader Comrade Kim Il-song is firmly guaranteed.

To uphold the dear leader Comrade Kim Chong-il and be firmly united around him is the right way [chamdoen kil] to brilliantly succeed and complete the great leader's cause.

"Let us complete the chuche revolutionary cause by uniting the entire party, all the people, and the entire army as one around the great Comrade Kim Chong-il." This is the unanimous faith and will of our party, people, and army that makes them even more powerful.

On the single road of single-hearted unity in faithfully upholding the dear leader Comrade Kim Chong-il's leadership, the single road of fulfilling loyal and filial duties, our people will eternally uphold the fatherly leader and brilliantly realize all ideas and ideals that the leader desired and strived to realize throughout his life.

'Many Foreigners' Visit Kim Il-song's Statue

SK1209101994 Pyongyang KCNA in English 1005 GMT 12 Sep 94

[Text] Pyongyang, September 12 (KCNA)—A good many foreigners have paid condolence calls at the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang in two months after his death.

Among them were Anthony Logulu Butele, minister of state of the Presidential Office of Uganda; Guy Dupre, secretary general of the International Liaison Committee for Reunification and Peace in Korea; the delegation of the All-China Federation of Trade Unions; the delegation of the Centre of Indian Trade Unions; and the friendship visiting group of the Italian Committee for Reunification and Peace in Korea.

They laid wreaths and bouquets before the statue and paid a silent tribute to his memory.

In mid-July the officials of the Sanwa Bussan, Ltd. in Fukuoka, Japan, sent 2,000 blossoms of rare flowers collected from across Japan to Pyongyang to be laid around the bier of President Kim Il- song and his statue.

The delegation of the National Liaison Council of Japan Societies for the Study of Kim Chong-il's Works visited the statue of President Kim Il-song on August 4 with a wreath it had prepared with sincerity in Japan.

Kenichi Ogami, secretary general of the International Institute of the Chuche Idea and adviser to the delegation, said: "Respected President Kim Il-song was our savior and teacher in our life."

"We will exalt the era of chuche and fight it out for the victory of the chuche idea under the guidance of Comrade Kim Chong-il, the greatest leader of the revolution," he stated.

Aleksandr Kaputo, former Soviet ambassador to Korea, and his family brought a wreath of rare flowers from Moscow by plane and laid it before the statue of President Kim Il-song.

He said: "Comrade Kim Il-song has not parted with us. He will be alive always in the hearts of the Korean people and the progressive people of the world."

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Marwan Sudah, secretary of information and foreign affairs of the Arab Islamic Democratic Movement of Jordan, paid a condolence call at President Kim Il-song's statue upon arriving in Korea. He climbed Mansu Hill again on August 31 with a wreath he prepared with sincerity during his stay.

Candelaria Rodriguez, a Cuban female lawyer who had been received by President Kim Il-song in Korea during the last Korean war (June 25, 1950- July 27, 1953), visited his statue several times in July and again on August 15 and 25.

Giancarlo Elia Valori, secretary general of the Italian Institute of International Relations, attended the national memorial service for President Kim Il-song on July 20. He called at President Kim Il-song's statue again on August 28 and visited it again with a wreath on September 5 prior to his departure for home.

Foreign diplomatic envoys, foreign guests and foreign students studying in Korea visit the statue again and again.

South Korea

IAEA Notified of North Change in 'Willingness'

SK1009095194 Seoul KBS-1 Radio Network in Korean 0900 GMT 10 Sep 94

[YONHAP report from Tokyo]

[Text] Japan's major press, including YOMIURI SHIMBUN, reported that the DPRK conveyed its willingness to the International Atomic Energy Agency [IAEA] inspectors who are still in Yongbyon to expand the range of inspections. This was reported to the IAEA by the inspectors.

The Japanese press feels the reason the DPRK expressed its willingness to expand the range of inspections is to show Pyongynag's intentions to freeze its nuclear development before the IAEA Board of Governor's meeting and general meeting takes place on 12 September, and before the high-level DPRK-U.S. talks take place on 23 September. At the upcoming IAEA Board of Governor's meeting, measures will be discussed regarding North Korea's proposal.

IAEA: North Stopped Plutonium Extraction in 1993

SK1109130394 Seoul KBS-1 Television Network in Korean 1200 GMT 11 Sep 94

[By Cha Man-sun from Vienna]

[Text] For the first time, it has been confirmed that the DPRK has not extracted additional plutonium from its radiochemical laboratory in Yongbyon since February 1993. This was disclosed by an International Atomic Energy Agency [IAEA] report exclusively obtained by Korean Broadcast Service reporters on the results of the IAEA inspection of North Korea.

The report states that the IAEA precisely analyzed the nuclear samples taken from the radiochemical laboratory in March and May, but had not discovered any signs of reprocessing. However, there are new suspicions that the DPRK may have reprocessed the fuel rods at its second reprocessing facility [chaechori sisol], which is newly under construction, because it did not allow IAEA inspectors access there; North Korea gave as its excuse for not allowing access to this facility that construction of the facility, though advanced, has not yet been completed.

It has also been confirmed for the first time that Pyongyang did not allow IAEA inspectors access to the nuclear fuel molding [songhyong] plant and nuclear fuel depots, breaking the February U.S.-DPRK agreement which stipulates that North Korea will accept inspections of its seven major nuclear facilities. The inspectors who are now carrying out their activities in Yongbyon stated that, because of this, they cannot confirm if the new nuclear fuel rods have been removed from the nuclear fuel depots to be placed into the five-megawatt nuclear reactor. The IAEA will open the Board of Governors meeting tomorrow afternoon and will discuss the North Korean nuclear issue based on the report. Then it will urge the DPRK to fully cooperate with the nuclear inspections.

Foreign Minister Han Returns From U.S. Visit

SK1009085194 Seoul YONHAP in English 0846 GMT 10 Sep 94

[Text] Seoul, Sept. 10 (YONHAP)—Foreign Minister Han Sung-chu returned on Saturday [10 September] afternoon after visiting the United States to adjust positions on the North Korea issue.

Han visited Chongwadae [presidential offices], presidential mansion, on arriving at Kimpo Airport to brief President Kim Yong-sam on the results of his visit to Washington and meeting with U.S. President Bill Clinton.

"I'm satisfied," he briefly answered to the questions of reporters about the results of his visit. He refused to comment on any other questions.

But at the request of photojournalists to pose for his picture, he asked, "Shall I smile or be angry?"

Han called on President Bill Clinton and delivered a verbal message from South Korean President Kim Yong-sam confirming the need for bilateral efforts to achieve special nuclear inspections in North Korea and for improvement in inter-Korean relations.

The foreign minister held coordination sessions with Secretary of State Warren Christopher and with U.S. negotiators at nuclear talks with North Korea.

The two sides agreed that North Korea-U.S. relations have to progress in tandem with inter-Korean relations and that transparency in Pyongyang's nuclear activities must precede any provision of light-water reactors.

The two countries also shared the view that South Korea should be the principal supplier of the light-water reactors.

Government Plans To Review Visit

SK1209012694 Seoul YONHAP in English 0116 GMT 12 Sep 94

[Text] Seoul, Sept. 12 (YONHAP)—The government will review the results of Foreign Minister Han Sung-chu's visit

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to Washington last week and the progress of U.S.-North Korea experts' talks at a high-level policy coordination meeting to be held as early as Tuesday [13 September].

At the meeting chaired by Deputy Prime Minister and National Unification Minister Yi Hong-ku, the government will reconfirm its position that any improvement in U.S.-North Korean relations, such as an exchange of liaison offices, must come simultaneously with progress in inter-Korean ties including a resumption of meaningful Seoul-Pyongyang dialogue.

On the issue of when North Korea must receive special inspections of its undeclared atomic sites to clear up suspicions over its past nuclear activities, however, the government will adopt as flexible a stance as possible, officials said.

Although the North is to blame for the tension in inter-Korean relations after Kim Il-song's death, the government will seek to create an atmosphere conducive to resuming South-North dialogue that has been suspended since January last year, while refraining from provoking the North Koreans.

When Assistant Secretary of State Robert Gallucci, who heads the U.S. delegation to the high-level talks with North Korea opening in Geneva on Sept. 23, visits Seoul Wednesday, the government will ask him to press Pyongyang to resume inter-Korean dialogue on a nuclear-free Korean peninsula at the Geneva meeting.

'Tandem' N-U.S., Inter-Korean Relations Viewed

SK1009025494 Seoul YONHAP in English 0247 GMT 10 Sep 94

[Text] Seoul, Sept. 10 (YONHAP)—Foreign Minister Han Sung-chu is to return home Saturday evening after his visit to the United States to fine-tune positions on the North Korean nuclear issue.

Han called on President Bill Clinton and delivered a verbal message from South Korean President Kim Yong-sam confirming the need for bilateral efforts to achieve special nuclear inspections in North Korea and for improvement in inter-Korean relations.

The foreign minister held coordination sessions with Secretary of State Warren Christopher and with U.S. negotiators at nuclear talks with North Korea.

The two sides agreed that North Korea-U.S. relations have to progress in tandem with inter-Korean relations and that transparency in Pyongyang's nuclear activities must precede any provision of light-water reactors.

The two countries also shared the view that South Korea should be the principal supplier of the light-water reactors.

U.S. Secretary of State Cited on Fuel Rod Issue

SK1209005594 Seoul YONHAP in English 0046 GMT 12 Sep 94

[Text] Washington, Sept. 11 (YONHAP)—U.S. Secretary of State Warren Christopher affirmed Sunday "there's been no change in the United States policy" that 8,000 spent fuel rods taken from a nuclear reactor should be removed from North Korea.

He made the remark on the NBC program "Meet the Press" when questioned by moderator Tim Russert, who said that Washington is in effect telling Pyongyang, "Oh no, you can keep them in North Korea, just put them in a steel case... While agreeing to open liaison offices in North Korea and the United States."

Denying the charge, Christopher said, "There may be some interim stages while the negotiations go on, but the removal of the fuel rods from North Korea to make sure that there is no reprocessing continues to be a goal of the United States."

"If there are some steps that need to be taken as an interim matter to see that we can reach that goal, that can be done," he added.

Stressing efforts to have the spent fuel rods taken out of North Korea, Christopher noted, "We want to make sure that there's no reprocessing so additional plutonium is not created, and that's the ultimate test."

U.S. Request for Aid Pledge for Reactor Viewed

SK1209020194 Seoul YONHAP in English 0155 GMT 12 Sep 94

[Text] Seoul, Sept. 12 (YONHAP)—The United States has asked South Korea to pledge clearly to bear the majority of the cost of building light-water reactors for North Korea, a Foreign Ministry spokesman said Monday.

"There were discussions during Foreign Minister Han Sung-chu's U.S. visit on South Korean assistance if Seoul's reactor model is chosen," said spokesman Chang Ki-ho. "South Korea and the United States did not talk about any reactor type other than that of South Korea."

But he denied local press reports that Washington had demanded a letter of intent by South Korean President Kim Yong-sam.

Seoul and Washington were one in concluding that South Korea must play a central role in providing light-water reactors to North Korea and thus the Seoul model has to be chosen.

"We have told the United States again that if our model is indeed chosen, then we will assume an appropriate financial burden," the spokesman said.

North-U.S. Meetings Open in Pyongyang, Berlin

SK1009124894 Seoul YONHAP in English 1244 GMT 10 Sep 94

[Text] Berlin, Sept. 10 (YONHAP)—North Korea and the United States opened separate expert-level talks in Pyongyang and Berlin on Saturday [10 September] to discuss the issues of exchanging liaison offices and finding a solution to North Korea's nuclear problem.

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U.S. delegation led by Gary Samore, a State Department working-level official in the Regional Nuclear Nonproliferation Bureau, arrived at a North Korean representatives building here on Saturday morning to be received by North Korean delegation.

North Korean delegation led by Kim Chong-u, vice chairman of the External Economy Commission, did not make any comment on the talks and did not allow journalists to come close to the building, either.

Experts' meeting here will cover assistance to North Korea in the construction of light-water nuclear reactors and the provision of alternative energy to replace its graphite-moderated reactors.

Meanwhile, a five-member U.S. delegation headed by Lynn Turk, in charge of Korea affairs, also arrived in Pyongyang to discuss with North Korean officials on opening a liaison office in each country's capital.

The U.S. delegation is scheduled to stay in Pyongyang until on Sept. 13.

Delegates Call Talks 'Useful'

SK1109025294 Seoul YONHAP in English 0238 GMT 11 Sep 94

[Text] Berlin, Sept. 10 (YONHAP)—U.S. and North Korean expert-level officials met in Berlin and Pyongyang separately over the weekend to discuss providing assistance in North Korea's light-water reactor construction and exchanging liaison offices between their respective capitals.

In the Berlin meeting, which lasted for some 10 hours at the office of the North Korean interest section, the two sides chiefly discussed and exchanged views on technical matters related to assistance in North Korea's light-water reactor construction project.

Emerging from the meeting, they said they had discussed and exchanged opinions on the light-water reactor issue, adding the discussion was useful.

The U.S. delegation, led by Gary Samore of the State Department, was known to have stressed the need for South Korea's leading role in assistance to North Korea in its light-water reactor construction project. Citing the difficulty of raising enormous funds for the project, the U.S. side allegedly said there is no alternative but the South Korean model of light-water reactor-based power plants.

The North Korean delegation, headed by Kim Chong-u of the External Economy Commission, reportedly opposed the South Korean model but failed to come up with a practicable alternative.

The German model, which North Korea reportedly prefers, was known to have been on the agenda only because of the difficulties involved in raising the funds needed in building the reactors.

Observers here said the U.S. side made clear its position for the South Korean model, regardless of North Korea's reaction. As a result, there was a lengthy debate on this issue between the two sides.

But in view of North Korea's objection, the U.S. side persuaded North Korea to adopt the new reactors which South Korea can better build than any other countries, instead of outrightly pointing to the South Korean model.

The observers said that in the discussion there had been no unexpected developments, nor abrupt North Korean offers, requiring the U.S. delegation to ask for new instructions of Washington, suggesting that there is no change in North Korea's position on the recent Geneva agreement.

The Berlin expert-level talks will go into the second round at the U.S. mission office Monday [12 September] to focus on the issues of alternative energy to North Korea's graphite-moderated reactor-based power plants.

The North Korean Government news agency reported Saturday a five-member U.S. delegation arrived in Pyongyang via Beijing at 3:30 P.M. for a North Korea-U.S. expert-level meeting on exchanging liaison offices between Pyongyang and Washington.

The report, monitored in Tokyo, said the U.S. delegation, led by Lynn Turk of the State Department, sat with the North Korean delegation in a meeting that evening.

The U.S. State Department said the U.S. delegation would be in Pyongyang until Tuesday, attaching little importance to the Pyongyang meeting.

10 Sep Technical Talks Reviewed

SK1209004894 Seoul YONHAP in English 0038 GMT 12 Sep 94

[Text] Berlin, Sept. 11 (YONHAP)—The United States and North Korea resume technical talks Monday on exchanging liaison offices and converting Pyongyang's nuclear reactors here and in Pyongyang.

The talks, a preliminary to the U.S.-North Korean high-level dialogue starting Sept. 23, reopen after a Sunday break following marathon discussions in the two cities.

Nothing concrete has emerged from the Pyongyang meeting, which is dealing with the establishment of liaison offices. The North Korean Central News Agency (KCNA) reported the arrival of the American team led by Lynn Turk, assistant director of the Korea division at the State Department, adding dryly that the two countries will discuss opening liaison offices in each other's capital as a first step toward diplomatic normalization.

In Berlin, the U.S. team is working to persuade North Korea to accept the South Korean model of light-water reactor since financing would be difficult without Seoul's participation.

Sources said Pyongyang was resisting Seoul's reactor model but was unable to present a practical alternative. Recent

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press reports speculated the communist state would demand the German model, but the sources said the idea is not on the table because it would run into financing trouble.

The United States does not insist that North Korea accept the South Korean model per se but is trying to convince it to agree to a plan where Seoul would in effect be the main supplier, the sources said.

The Monday talks here are expected to tackle two other issues on the agenda—the supply of alternative energy during the reactor conversion period and the disposition of nuclear fuel rods recently removed from North Korea's reactor.

North Ready To 'Rupture' Talks

SK1209040294 Seoul KBS-1 Radio Network in Korean 0300 GMT 12 Sep 94

[Text] In a dispatch from New York, Japan's YOMIURI SHIMBUN reported that North Korea showed the position that it would be ready even to rupture [kyolyoldo] North Korean-U.S. working-level officials' talks if the United States insists on introduction of ROK-model light-water reactors to the end.

Reporter Chong Chang-hun reports:

[Begin Chong recording] Such a position by the North Korean side was revealed by Han Sung-yol, councilor in the North Korean mission, during an interview with Japan's YOMIURI SHIMBUN.

It was not confirmed if this is an official position of the North Korean side. However, YOMIURI SHIMBUN reported that Councilor Han Sung-yol said that if the United States continues to insist stubbornly that it will only offer ROK light-water reactors to North Korea, North Korea has no other choice but to maintain previous graphite moderated reactors.

Han Sung-yol stressed that according to the U.S. attitude, North Korea would be ready even to rupture U.S.-North Korean high-level talks, which are scheduled to resume 23 September.

Han Sung-yol also pointed out that if the report is true that ROK Foreign Minister Han Sung-chu reached an agreement with the United States to link resumption of North-South dialogue with progress in the U.S.-North Korean talks, it would be a violation of the statement between the United States and North Korea agreed upon last August.

Han Sung-yol asked if the United States will repeat to waste time as seen in the past one year by putting forward North-South talks, which are separate talks from the talks for a solution to nuclear problem.

Reporting such moves by the North Korean side, YOMIURI SHIMBUN said that upcoming contacts between Gallucci, the U.S. side's delegate to North Korean-U.S. high-level talks and who will visit Japan and the ROK; and officials from the ROK and Japan, will be the focus of people's attention. [end recording]

China Attempts 'To Check' North Refugees Flow

SK1009012094 Seoul YONHAP in English 0101 GMT 10 Sep 94

[Text] Moscow, Sept. 10 (YONHAP)—China has recently reinforced its military and border guards along the frontier with North Korea to check the increasing flow of North Korean refugees, ITAR-TASS reported Friday in a dispatch from Beijing.

The Russian News Agency said Chinese authorities decided to fortify the border with North Korea following the recent influx of about 100 North Korean refugees to China.

The two countries have had no problems handling the issue of North Korean refugees to China because the latter had handed over refugees captured on its territory to Pyongyang until recently, according to informed sources in Beijing quoted by ITAR-TASS.

The Chinese authorities, however, have begun dealing with the matter from a "more democratic" perspective because of the uncertain fate of refugees repatriated to the North, ITAR-TASS quoted the Beijing sources as noting.

Angered by Beijing's policy shift, Pyongyang has demanded that all North Korean refugees in the custody of Chinese authorities be repatriated unconditionally, the Russian agency said.

ITAR-TASS also reported that negotiations are under way between the two sides on the repatriation of North Korean refugees to China.

Unification Minister Yi on Armistice Agreement

SK1009052694 Seoul YONHAP in English 0520 GMT 10 Sep 94

[Text] Seoul, Sept. 10 (YONHAP)—Deputy Prime Minister Yi Hong-ku has said North Korea's attempt to replace the Armistice Agreement with a peace accord would not necessarily benefit the North as the move is related to who bears responsibility for the 1950-53 Korean war.

Noting that if the United States officially takes up the peace accord issue, Yi said "We cannot but talk about why the Korean war broke out. As far as the war responsibilities are concerned, they are not at all simple matters as there is abundant proof disadvantageous to North Korea."

Yi, who is also national unification minister, made the remarks Saturday morning during a breakfast meeting with a group of lawmakers who formerly belonged to the ROTC (Reserve Officers Training Corps).

"North Korea appears to be trying to arouse American public opinion in favor of a U.S. troop withdrawal from Korea through its attempt for the peace agreement. Such an attempt, however, will not become an important issue at the present stage as Seoul and Washington are adamant. China will no longer exert pressure, except for the withdrawal of its supervisory troops from the Military Armistice Commission in Korea."

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As to the purpose and results of Foreign Minister Han Sung-chu's recent trip to the United States, Yi explained that Han visited America to convey the government's opposition to the "dangerous sign" that Washington is seemingly approaching inter-Korean affairs by focusing on the row over Pyongyang's nuclear activities rather than handling the issue in the context of overall South-North Korean relations.

Turning to the matter of national unification, Yi said neighboring countries are showing less concern about Korean reunification and even friendly nations do not seem to be helping.

"In this difficult situation," he stressed, "we have to show firm determination to achieve national unification on a gradual basis from a long-term perspective."

With regard to China's role in solving the North Korean nuclear problem, he said that Beijing would face a threat if Pyongyang continued its nuclear development program and that the joint declaration on denuclearization of the Korean peninsula would be nullified.

Concerning assistance for North Korea's conversion to light-water nuclear reactors, Yi noted that the government was willing to invest in the project for the Korean people's welfare in the 21st century, and was not yielding to the North Korean threat of war.

In respect to the latest reports on the Chinese Army's concentration along the border with North Korea, he observed that it was designed to deter North Korean refugees seeking to cross the border.

North Official on Kim Chong-il's Health Problems

SK1009022094 Seoul TONG-A ILBO in Korean 10 Sep 94 p 1

[Report by Kim Chung-kun from Beijing]

[Text] For the first time, a concerned North Korean official has confirmed that there is something wrong with Kim Chong-il's health.

A Chinese source knowledgeable in North Korean affairs stated on 9 September: "North Korean Vice Foreign Minister Song Ho-kyong, who visited China early this month as special envoy, made remarks to the Chinese authorities that there is something wrong with Kim Chong-il's health. Asked by Chinese Foreign Minister Qian Qichen about Kim Chong-il's health, Vice Foreign Minister Song said that although there is something wrong with his health, he is now getting well."

This is the first time the North Korean authorities have admitted Kim Chong-il has health problems.

Also, a diplomatic source in Beijing said on 9 September that "he was told that at present, Kim Chong-il only works in the morning, and devotes the remainder of time to the treatment of his illness. The North Korean authorities will make every effort to show a healthy Kim Chong-il to their people during their official ceremony for power succession, considering people's unrest."

Sources Report DPRK Asks Bangladesh for Rice

SK0909234894 Seoul KBS-1 Radio Network in Korean 2210 GMT 9 Sep 94

[Text] In a Dhaka datelined report, the Chinese Government-operated XINHUA News Agency reported that North Korea requested $37 million worth of rice from Bangladesh for next year in the form of barter trade.

Quoting reports carried by the English paper FINANCIAL EXPRESS published in Dhaka, the news agency reported that North Korea and Bangladesh are now discussing the signing of a protocol for next year's barter trade, which will reach approximately $56 million.

Observers in Bangladesh stated: Bangladesh, one of the poorest countries in Asia, began to export rice to foreign countries in 1992. Such a request from North Korea indicates that its food shortage is serious.

Seoul To Relax 'Hard-Line Stance' Toward North

SK1109051094 Seoul CHUNGANG ILBO in Korean 11 Sep 94 p 1

[Text] In preparation for Kim Chong-il's firm grip on power, a breakthrough in the nuclear issue, and the improvement in U.S.-North Korean relations at the second stage of the third round of North Korea-U.S. high-level talks, the government has begun work to create an atmosphere for dialogue, departing from its previous hard-line stance.

Accordingly, the government has called on senior government officials to restrain from making remarks that may agitate North Korea, and is taking very careful note of ways to separate the nuclear issue from economic cooperation as part of its preparation for the possible breakthrough in the North Korean nuclear issue at the North Korean-U.S. talks. In addition, it was learned that the government is studying in detail ways to help North Korea participate in the Asia-Pacific Economic Cooperation meeting as an observer, if progress is shown in the North-South dialogue.

The government has decided, however, that the ROK will not be the first to propose direct dialogue with North Korea as North Korea has failed to tone down its slanderous propaganda against the South, including fiery denunciation of President Kim Yong-sam, and has not given up its attempt to isolate the ROK Government from the North Korean-U.S. talks.

The government, in return, is seeking multilateral diplomatic approaches, such as making North Korea aware through the talks with the United States that North-South dialogue should progress in tandem with improvement in North Korean-U.S. relations and calling on China to deliver such a message to North Korea.

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In this connection, it was learned that the government will hold a meeting of the Unification and Security Policy Coordination Council presided over by Yi Hong-ku, deputy prime minister and minister for the national unification, on 13 September. In the meeting, the government is expected to analyze the results of Foreign Minister Han Sung-chu's visit to the United States and map out measures to appease North Korea, including the ROK Government's assuming a flexible stance on the date of special inspections.

A high-level official on 9 September stated: "We cannot but get ready for North-South dialogue in preparation for the stabilization of North Korea's power system and the settlement of the North Korean nuclear question at the North Korean-U.S. high-level talks due to be held this month," and added that "it is true the nuclear issue is the pivotal issue between the North and South. However, we should not disregard the fact that it is not the only issue."

Ministry Rebuts Foreign Policy in Danger Claims

SK1209015894 Seoul YONHAP in English 0152 GMT 12 Sep 94

[Text] Seoul, Sept. 12 (YONHAP)—A senior Foreign Ministry official took a stand against the domestic press Monday, calling the recent media coverage of foreign affairs "fuss-making" and "masochism" typical of South Koreans.

Assistant Minister for Policy Planning Yi Chang-chun, in a government newspaper published by the Information Ministry, rebutted claims by the press that Seoul's foreign policy is facing a dangerous crisis—i.e., South Korea is being left out in the cold while other countries are rushing to North Korea, evidenced by U.S.- North Korea moves to exchange liaison offices, China's unchanged alliance with the North and Pyongyang's refusal to talk with Seoul.

"It's worth pondering that someone has to make the first move that can change the status quo to provide a breakthrough in inter- Korean relations," Yi wrote in the newspaper.

"Can you really say that South Korea's diplomacy is in danger because the United States and Japan are rushing to Pyongyang, because China and North Korea maintain their alliance, and because North Korea avoids talking with South Korea?" Yi wondered.

These phenomena are all normal signs, Yi wrote, and the claims of endangered diplomacy "are either the hyperbole typical of South Koreans, or the people are ailing from masochism."

"It's important to understand that the only country that can lead efforts to solve the North Korean nuclear problem is the United States, and that the nuclear problem is an extremely difficult one to fully resolve," Yi said.

"It's realistically impossible to use physical force to solve this problem."

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Brunei, Malaysia & Singapore

Malaysia

Plane Encounters Gunfire Over Cambodia; One Dead

BK1009144094 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 10 Sep 94

[Text] A Malaysian businessmen was killed when the light aircraft in which he was flying was hit by gun shots over northeastern Cambodia. The Cessna 206 plane belonging to the Aviation Transfrontiers Air Service was hit by ground fire at around 9 AM [0100 GMT] yesterday. It was hit twice in the tail and the [word indistinct].

The businessmen, whose name is being withheld, was the president of a Malaysian-based company operating in the logging trade.

Cambodian Interior Minister Yu Hokkri confirmed that the pilot of the plane, (?Jean Merihomey) of France, told him that he was flying the plane low at a height of about 300 meters when it was hit by the shots. The plane was flying low because its passengers had rented it for taking aerial photographs of the site.

Authorities Raid Al-Arqam Commune, Detain 139

BK0909153094 Hong Kong AFP in English 1251 GMT 9 Sep 94

[By Ong Saw Lay]

[Text] Kuala Lumpur, Sept 9 (AFP)—Malaysian authorities Friday raided a commune of the outlawed Al-Arqam Muslim sect and detained 139 people, including the daughter-in-law of sect leader Ashaari Muhammad, putting the group's other settlements on alert.

It was the first government raid on one of the sect's settlements and came a day after Premier Mahathir Mohamed provided what he said was photographic evidence of plans by the banned group to become a military force.

Religious officials said 89 children, 32 women and 18 men were detained in the raid, a week after the arrest of six Al-Arqam members, including Ashaari and his wife, under Malaysia's tough Internal Security Act (ISA).

A total of 18 were later charged in the state religious court. The rest of those detained in the raid were released after being interrogated.

Eight men and 10 women pleaded not guilty in the Negeri Sembilan when charged for contravening state religious laws and were released on bail totalling 32,100 ringgit (12,840 dollars). They will be tried later this month.

Under state Islamic rules, it is an offence to deviate from the true Islamic faith, officials said.

Al-Arqam was last month outlawed by the predominantly-Muslim government for practising what the clergy considered deviationist teachings.

An Al-Arqam spokesman said the pre-dawn raid on the commune in southwestern Negeri Sembilan state, shocked community members.

"This time, the government has gone too far. This is sheer harassment," said the spokesman, adding the movement was prepared for "any eventuality."

The operation, mounted jointly by police and state religious officials, signalled the government's widening efforts to crush the group.

Ashaari, 57, one of his four wives and their six-month daughter, and four of Al-Arqam's senior members, were last week detained under the ISA, which allows indefinite detention without trial.

They were arrested after being expelled by Thai authorities.

Al-Arqam, founded by Ashaari in 1968, has since grown into a powerful missionary group with branches in 16 countries.

Mahathir, speaking late Thursday, said an unidentified French Muslim convert, who had joined the Al-Arqam, was now in a mental hospital "because she could not cope with being passed from one man to another."

"She is now in a mental hospital in the country. Such cases show that they use women as a tool," said Mahathir, who last month charged that the movement had deviated from the Muslim faith and used women as sex slaves.

Mahathir also showed journalists a photograph of Al-Arqam members marching in military formation which appeared on the front page of the Thai-language Islamic Guidance Post, saying it clearly proved Al-Arqam's military intentions.

The Malaysian Bar Council said late Thursday that it viewed the arrest and detention of Ashaari and his followers under the ISA with concern and urged the government to either charge them in court for the offences they allegedly committed or release them.

The ISA was framed by Kuala Lumpur in 1960 primarily to combat communist insurgents.

Regional human rights groups, including the Thai Consumer's Group of Siam, had lambasted the Malaysian government's strongarm tactics, saying the action reflected intolerance and religious bigotry.

Singapore

Indonesian Armed Forces Commander Begins Visit

BK1009161094 Singapore Singapore Broadcasting Corporation in English 1400 GMT 10 Sep 94

[Text] An open mobilization and civil resource acquisition exercise is now on. Units responding to the following code

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words have been activated: "Bamboo Trap," "Focal Point," "Signal Flare," "Tough Test".

The visiting Indonesian Armed Forces commander in chief, General Feisal Tanjung, was at the Selarang Camp this evening to observe the open mobilization exercise. He is in Singapore for a three-day visit to attend the 14th Joint Training Committee meeting between the Indonesian Armed Forces (ABRI) and the SAF [Singapore Armed Forces].

The meeting is to provide an exchange of views and develop rapport between both sides.

Meets With Defense Minister

BK1009082794 Singapore Singapore Broadcasting Corporation in English 1400 GMT 9 Sep 94

[Text] Commander-in-Chief of the Indonesian Armed Forces [ABRI] General Feisal Tanjung is in Singapore for a three-day official visit. He called on the defense and labor minister, Dr. Lee Boon Yang, at Mindef [Ministry of Defense] this morning and met his counterpart, Lieutenant General Ng Jui Ping.

Gen. Tanjung is here to attend the 14th ABRI-SAF [Singapore Armed Forces] Joint Training Committee meeting to oversee joint cooperation between the two armed forces. His visit reflects the warm and friendly ties between the two countries.

Indian Prime Minister Concludes Three-Day Visit

BK0909120494 Delhi All India Radio Network in English 0830 GMT 9 Sep 94

[Text] Singapore companies are to invest about 800 million Singapore dollars, equivalent to over 1,600 crore rupees, in several projects in India. Investment and joint venture agreements to this effect was signed in Singapore today at the conclusion of Prime Minister Mr. Narasimha Rao's three-day official visit to the Southeast Asian nation. AIR [All India Radio] Southeast Asia correspondent Nallamuthu reports that the contracts include LPG [Liquified Petroleum Gas] terminals, banking, real estate, project management and architectural design services, aquaculture, and bakery operations.

The two prime ministers, Mr. Rao and Mr. Goh Chok Tong, who had an interaction with the businessmen of the two countries this morning, expressed great satisfaction at the widening and increasing trade and investment deals between the two countries. Mr. Goh said the mild India fever he had set off during his visit to India has gained warmth with the visit of Mr. Rao to Singapore and he in turn has created a Singapore fever among Indian businessmen.

The deputy prime minister of Singapore, Mr. Lee Hsien Loong, called on prime minister this morning. Mr. Rao also visited the Alankar Indian exhibition entitled "5,000 Years of India" brought (out) by the Singapore National Museum with many rare exhibits provided by India. Before leaving for New Delhi, the prime minister told newspersons that India will apply to join the Asia Pacific Economic Cooperation, APEC forum, as soon as the group signalled its readiness to take new members. Mr. Narasimha Rao said India with Singapore's support will make a bid for the membership. A Singapore Foreign Ministry official yesterday said that Singapore welcomes India's membership in APEC because New Delhi is a major player in Asia. APEC includes the six ASEAN states—Philippines, Thailand, Indonesia, Malaysia, Brunei, and Singapore, as well as the Pacific rim nations including the United States, Mexico, Japan, and the South Korea.

Mr. Narasimha Rao was accorded a warm send-off by the Singaporean minister for arts, information, and health Mr. George Yeo Yong Boon.

Signing of Contracts Reported

BK0909130894 Singapore Singapore Broadcasting Corporation in English 1100 GMT 9 Sep 94

[All dollar figures in Singapore dollars]

[Text] Singapore and Indian companies this morning signed 12 projects worth over $800 million. Agreements for the provision of project management and architectural design services and investment in real estate, banking, and aquaculture; contracts to provide petroleum gas terminal facilities; as well as trading and third country investments were also signed. The Trade Development Board said the agreements should further strengthen trade and investment links between Singapore and India.

Singapore's trade with India was up by 9.3 percent to $2.6 billion last year, and for the first five months of this year two- way trade increased by 13 percent to $1.3 billion.

Also present at the business meeting today were Prime Minister Goh Chok Tong and his Indian counterpart, Narashima Rao. Speaking to reporters after the meeting, Mr. Goh said relations between the two countries are only getting better and he wants to see Indian companies investing here and through Singapore invest in China, Vietnam, Myanmar [Burma], and Indonesia. On his part, Mr. Rao said the Indian companies that combine with their Singapore counterparts are extremely well. He promised to look into the concerns of Singapore businessmen about doing business in India.

The Indian leader left Singapore this morning after a three-day official visit.

Cambodia

Report: Students To Protest SRV Presence

BK1209032794 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 10 Sep 94

[Text] According to a report from Phnom Penh, students from various high schools and faculties in Phnom Penh will stage a demonstration to topple the two heads if they do not

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solve the problem of the Vietnamese filling Phnom Penh. The students have asked whether the just approved Immigration Law is genuine or deceptive. If the law is genuine, it should be enforced immediately in Phnom Penh by:

1. Rounding up all the Vietnamese and putting them in camps like it is done in Hong Kong, the United States, and other countries in this region; and

2. Sending them back to Vietnam to prevent them from arrogantly plundering the natural resources of the Cambodian nation and people further.

The students said that it should take from 10 to 15 days, starting on 1 September, for the number of Vietnamese in Phnom Penh, including those in the Kilometer 6, Chbar Ampeou, Tuol Kouk, and Chroy Changva suburbs to be concretely reduced. And the number should be reduced gradually until no Vietnamese citizen is found in Phnom Penh.

On the contrary, if the issue of the Vietnamese is not solved or if the number of Vietnamese does not diminish visibly, the Immigration Law is deceptive. If the two heads are only playing tricks, the students will not remain with their hands tied; they plan to stage a grand demonstration to topple the two heads for betraying and deceiving the people with their unwillingness to solve the problem of four million Vietnamese in Cambodia.

The students resolutely stated that the issue of four million Vietnamese in the country is a major problem, a problem of life and death for the Cambodian nation and race. The two heads must never try to cover up the issue or cheat on it. Those cheating on the Vietnamese problem will be accused of betraying the nation and the people will not forgive them, no matter what.

Moreover, the students also said beforehand that if they cannot conduct the demonstration, they will resort to other means. They will never remain idle because Phnom Penh is too crowded with Vietnamese.

Reconciliation Urged To Solve SRV 'Problem'

BK1209033094 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 10 Sep 94

[Unattributed commentary]

[Text] The complicated problem that many people call the Cambodian problem is not absolutely a question which concerns the Khmer Rouge or the two heads, a question of lacking democracy, human rights, and security leading to the disappearance of foreigners, or a question dealing with this or that issue. The major, dominant, and primary problem stems from communist Vietnam's swallowing of Cambodia. Vietnam swallows Cambodia through military and demographic wars and through seizing many areas of Cambodian territory. So the question of communist Vietnam's swallowing Cambodia is a concrete and well-known problem that cannot be concealed.

On 25 December 1978, communist Vietnam dispatched hundreds of thousands of troops to invade Cambodia. And on 7 January 1979, it organized and installed communist Vietnamese puppet authorities in all sectors from top to bottom for the purpose of using them as their tools of invasion. Presently, the communist Vietnamese aggressor forces have not yet been removed from Cambodia. Between 1978 and 1991, the forces did not withdraw. After the existence of the Paris accord, they did not withdraw either—only their appearance has been modified. As for the instruments of invasion of communist Vietnam, they continue to remain in place, still untouched. What makes them different is that UNTAC [UN Transitional Authority in Cambodia] and the unscrupulous Western alliance have put makeup on their faces. Is this true? Yes, it is 100 percent true. On top of this, communist Vietnam has also sent four million Vietnamese to every corner of Cambodia. The four million Vietnamese are neither normal people or normal forces—they are the instruments of demographic war, the tools for dissolving the Cambodian soul, and the weapons to kill Cambodians in all sectors through all means.

More importantly, communist Vietnam has organized a Communist Party of Vietnam [CPV] committee in Cambodia, a mechanism which leads and controls all CPV branches as well as its puppet Cambodian People's Party. By this means, communist Vietnam is openly and covertly leading and controlling its state authorities in all sectors, from top to bottom with the support of four million Vietnamese. The strength of those Vietnamese constitutes a great danger to the Cambodian nation, people, and race. This strength also poses a serious danger to regional security and stability.

The Paris accord of 1991 was designed to solve this problem: First, all categories of Vietnamese forces must withdraw from Cambodia; and second, national reconciliation should be reached. Nevertheless, the blueprint was shredded by UNTAC and the evil alliance. In any case, the Cambodian nation and people will never allow themselves to be killed or let the Cambodian race collapse and disappear. They have remained upright to struggle for survival.

So, how will this problem be solved? If it is to be solved through the means pursued by communist Vietnam between 1979 and 1991, it is absolutely impossible. If it is to be solved through the calculating means advocated by UNTAC and the unscrupulous alliance between 1991 and 1993, it is still impossible. The problem will also not be solved through the methods practiced by the two heads, nor the method of uniting forces to fight the Cambodian nation and people and Democratic Kampuchea, as was done during the past dry season. The problem is unequivocally clear. The only possible way to save everyone, to solve all the complicated problems, and to benefit everybody is to genuinely achieve national reconciliation and unite all national forces, without rejecting any of them. Genuine national reconciliation can solve communist Vietnam's danger of swallowing Cambodia, thereby allowing Cambodia to survive, Vietnam to live in security, and near and

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distant countries to dispel their worries. This will also benefit other countries, including the United States, France, and Australia politically, strategically, and economically.

This is a well-defined plan. Therefore, will they take this path? Or do they want to pursue their adventure along the darkest alleys?

Ranariddh Quoted on Possible Cabinet Reshuffle

BK1009135994 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 10 Sep 94 pp 1, 2

[Text] Prince Krompreah Norodom Ranariddh, first prime minister of the Kingdom of Cambodia, said that shortly the Royal Government will try to reshuffle ministers and state secretaries in some ministries. People from the same party may be put together as long as efficiency is achieved in leading the ministries without the need to follow the current practice of sharing power.

Prince Krompreah said this when he distributed aid in Takeo Province on 8 August [as published]. Prince Krompreah further said that the two government leaders will look into this matter. Even if a ministry has a minister and a state secretary coming from the same party, as long as these officials are efficient and have sufficient technical expertise in leading the ministry, there is no need to bring in a minister or state secretary from another party.

Prince Krompreah specified that "when Samdech Hun Sen returns from his medical treatment in Paris he will talk to Samdech Hun Sen for between two and three hours, even if the latter is still sick, in order to improve or change leaders in some ministries in the Royal Government, as well as in the provinces."

It should be recalled that earlier it was disclosed that a cabinet lineup had already been completed in which 10 ministers were to have their jobs changed. Be that as it may, in his speech in Takeo Province Prince Krompreah did not give any details on the ministries that would be affected by this plan.

As for leading provincial officials, Prince Krompreah firmly said that from now on there should be no talk about a CPP (Cambodian People's Party) governor or FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] deputy governor. All governors and deputy governors should not say they represent the CPP or FUNCINPEC; instead they should say they represent the king, the nation, the Royal Government, and the people nationwide.

He asked that an end be made to the current conflict in which, it is said, FUNCINPEC and CPP leading officials in ministries and provinces are quarreling and do not get along well... [ellipsis as published] and, more serious still, that FUNCINPEC is quarreling with FUNCINPEC in ministries and provinces.

Prince Krompreah stressed that "if ministries and provinces are still divided into parties like this, in this life and in years to come Cambodia will never achieve peace and reconciliation."

Article Views Possible Replacement of Hun Sen

BK0909141594 Phnom Penh KAOH SANTEPHEAP in Cambodian 7 Sep 94 pp 1, 4

["Today's Comment" column by Thlang Ambal: "Who is Going To Replace Hun Sen?"]

[Text] Some rumors and open reports say that the Cambodian People's Party [CPP] is being rocked by a power struggle to replace Samdech Hun Sen as second prime minister in the Royal Government of Cambodia. These reports have in general attracted the attention of local and foreign public opinion, which is interested in knowing the extent of Hun Sen's influence within the party, and the person who is capable of replacing the samdech [Hun Sen]. Will it be a theatrical performer, a village musician, or a talker?

The fact is that some CPP officials have been upset with Samdech Hun Sen since the CPP came out second in the May 1993 general election sponsored by UNTAC [UN Transitional Authority in Cambodia]. These hardliners blamed Samdech Hun Sen strongly for his negotiation efforts and for bringing resistance groups led by Samdech Preah Norodom Sihanouk into the country, which led to the CPP losing its monopololy of power, which it had enjoyed for more than 12 years.

The fact that the CPP became the second party after FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and the establishment of a coalition government have left many high-ranking CPP officials with nothing to do; they have no jobs in the government. This resentment has been burning inside the hearts of some party members, particularly when they realize that this new Royal Government is going nowhere in its work due to corruption, bribe taking, and clanism, which are even more in evidence than during the State of Cambodia era. A comparison showing that the old and the new people are the same—and that some of the new people are even less competent than the old ones—has led those upset CPP members to the conclusion that they too are also capable of assuming high positions, regardless of the fact that in the past they were only simple musicians.

This is one of many other reasons leading some high-ranking officials of the Royal Government to stage a coup to clean up society. The Royal Government's timely repression of the coup idea, particularly the leading role of Samdech Hun Sen in putting down the coup and his determination to defend the constitution, which is the nation's supreme law, have led to Samdech Hun Sen being isolated among the narrow-minded group. Increasing numbers of persons want to amend the constitution in order to achieve their own ambitions in the power struggle.

The attack of adversaries combined with tiredness due to lack of rest, which has led to a deterioration in his health, has at times discouraged Hun Sen. This is a factor leading Samdech Hun Sen to seek medical treatment in France. This seems like saying: "I do not care anymore. If you want to depose me, go ahead. If not, wait until I get better. We will talk about it."

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The question put forth by the people who love and are grateful to Samdech Hun Sen is this: "Is it proper to award such an "unjust" prize to Samdech Hun Sen while he has done his best to bring back the Samdech father of the nation [Sihanouk] to be the cool shade of the Cambodian people at present?" For without Hun Sen's efforts and astuteness the hardliners within the CPP would never have allowed peace negotiations to bring the resistance groups to Phnom Penh today.

We are not overpraising Samdech Hun Sen because he is a human being and not a god who is without fault. However, we know very well that the Cambodian nation and people still need Samdech Hun Sen. His Majesty King Norodom Sihanouk, father of the Cambodian nation, and Prince Krompreah Norodom Ranariddh, with their astuteness, are also of this opinion. This has led the samdech [Sihanouk] to issue a statement in Beijing on 4 September "rejecting any change in the two-prime minister government."

However, some CPP members, who think only of theor own interests, have forgotten that Hun Sen is their party's main force. Once Hun Sen is gone, what would the CPP become? Therefore, to the question "Who is going to replace Hun Sen?" we still have no clear answer yet. Maybe "no one."

Ranariddh: KR To Use Office To Destroy RGC

BK1209034594 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 10 Sep 94 p 2

[Report by Kanhnha Thmar Da]

[Excerpt] First Prime Minister Prince Krompreah Norodom Ranariddh, at a meeting with national and international reporters on 7 September, said: "If the Royal Government of Cambodia [RGC] agrees to the Khmer Rouge's [KR] demand, this will help the rebel group to intensify its campaign and sabotage more vigorously while it claims that the government is launching attacks that threaten the life of the three foreign hostages."

"Why does the Khmer Rouge want to reopen its office?" the prince asked. "Because with the office, the group can carry out sabotage and terrorist activities to destroy the government."

It should be recalled that Khmer Rouge leader Khieu Samphan recently presented two proposals demanding the abrogation by the RGC of the bill outlawing the Khmer Rouge and the reopening of the group's office in Phnom Penh. This is to allow the group to carry out its legitimate activities in exchange for solving the crisis of the three foreign hostages, who were captured by the Khmer Rouge on 26 July and who have been detained in the Phnum Voar area so far. The RGC kicked Khmer Rouge officials and staff out and shut their office near the Royal Palace in July this year in the wake of the failure of the roundtable meetings at Chhangsu-on [in North Korea] and in Phnom Penh due to the Khmer Rouge's rejection of an unconditional cease-fire and a cease-fire schedule proposed by the king and the RGC.

On this issue, Prince Krompreah Norodom Ranariddh said: "If the National Assembly had not issued an official declaration outlawing the Khmer Rouge, the group would continue its normal, legitimate activities; that is, while it still had the office in Phnom Penh, it would continue to attack trains and capture people."

The prince accused the Khmer Rouge of intensifying indiscriminate attacks, causing insecurity and hampering activities of various humanitarian aid and development organizations operating in provinces. He asked: "Has the Doctors Without Borders organization done anything wrong? These organizations have never provided the RGC with armaments. They are here to help Cambodia; their weapons are hypodermic needles." [passage omitted]

Spokesman on Editor's Assassination, Journalism

BK1109154994 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 10 Sep 94

[Statement issued by the spokesman of the Royal Government of Cambodia on the assassination of Nun Chan, editor of the SAMLENG YUVEAKCHUN KHMER newspaper—dated 10 September]

[Text] The Royal Government of Cambodia [RGC] wishes to express its immense regret over the death of Nun Chan, editor of the SAMLENG YUVEAKCHUN KHMER newspaper, who was shot and killed by unidentified gunmen near Wat Phnum [in Phnom Penh] on the afternoon of 7 September 1994. The government conveys its most saddened condolences to the family of the victim and vehemently denounces this most cruel action. The RGC vigorously condemns all manner of violence and crimes that affect the people's lives and law and order. It has already taken a number of concrete, stern measures to apprehend the assassins and send them to the tribunal to be tried in accordance with the Kingdom of Cambodia's Constitution, the Universal Declaration on Human Rights, and the International Convention on Press Freedom. The government [words indistinct] to fulfill its tasks and roles to ensure security and safety for the people and the motherland.

The RGC, which came into existence through free and just elections organized and supervised by the United Nations, has constantly maintained its stance of promoting democracy, respecting human rights, and enhancing the people's press freedom. Along with this, it [words indistinct] a number of local newspapers which have frequently published, without a sense of responsibility for their professionalism, articles groundlessly accusing the RGC's leaders, personnel, and officials of being involved in this or that issue.

As for passive and irresponsible phenomena that affect the RGC's political stability, inner solidarity, and especially the honor of those accused, the government wishes to preserve its rights of carrying out duties to protect its officials and personnel who are victims of unfounded accusations.

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Availing itself of this opportunity, the RGC wishes to recall First Prime Minister Prince Krompreah Norodom Ranariddh's appeal, warmly supported by Second Prime Minister Hun Sen, which urges the mass media and journalists to use only decent language and, especially, when making accusations to have concrete evidence. This will avoid affecting the integrity and prestige of the leaders, personnel, officials, and Cambodians in general as well as the honor of our nation.

The RGC ardently hopes that the mass media will heighten their sense of responsibility and display professionalism, contributing to promoting the peace process, political stability, security, and safety in the course of restoring and developing the country, which has been badly broken and damaged by war and violence in the past decade.

[Dated] Phnom Penh, 10 September 1994

Indonesia

No Decision Reached With Malaysia on Islands

BK0909153594 Jakarta ANTARA in Indonesian 1221 GMT 9 Sep 94

[Text] Jakarta, 9/9 (ANTARA)—Indonesia and Malaysia have not reached any decision regarding the disputed Sipadan and Ligitan islands, although the two sides agreed to submit their reports to their respective foreign ministers.

Speaking at a press conference at the end of the third joint working group in Jakarta on Friday, Tan Sri Ahmad Kamil Jaafar, the head of the Malaysian delegation, stated that Malaysia wants the dispute to be solved by the International Court of Justice (ICJ) in the Hague, the Netherlands.

He said, "Malaysia is confident that an authoritative and impartial third party, such as the International Court of Justice, will be able to solve the disputed Sipadan and Ligitan islands issue in a peaceful, expeditious manner."

According to him, the ICJ was selected because it was considered that the ICJ can settle the issue in a careful, neutral, peaceful, and expeditious manner.

On the other hand, Izhar Ibrahim, the Indonesian delegation leader, stated that Indonesia rejected the proposal and considered that there were still ways open to solve the issue bilaterally.

He said, "The Indonesian delegation considers that currently there is no pressing need to involve a third party in efforts to solve the bilateral issue between our countries, since there are still ways for a settlement of the issue bilaterally, without closing the door of opportunity to the possibility of involving a third party."

If a third party needs to be involved, then Indonesia prefers to give priority to the ASEAN's High Council rather than to the ICJ, because the ASEAN High Council had undertaken the role of a mediating, investigation, and conciliation committee.

Izhar said, "The high council could even recommend a settlement of this dispute."

Replying to the press, he said the council is neutral and the two countries should place their trust in the council's integrity in settling their dispute.

According to him, apart from this, it would be an great gesture to hand over the issue to the ASEAN High Council for settlement because the council would be in a better position to understand the ASEAN countries' law and cultures.

Even though no decision was reached, the two sides considered that the meeting "was conducted in a conducive and fraternal manner" and "was carried out in a friendly manner with mutual respect, understanding, and in the ASEAN spirit of cooperation."

A joint press statement stated that "throughout the meeting, the two sides was directed toward the need of finding an early and peaceful solution as agreed upon by the leaders of the two countries."

The third Indonesia-Malaysia Joint Working Group (JWG) meeting on the disputed Sipadan and Ligitan islands began on Wednesday and was scheduled to conclude early Friday.

The press conference and the closing ceremony, which was delayed by six-and-a-half hours, indicated the two sides firm stand.

Kamil Jaafar is the secretary general of the Malaysian Foreign Ministry, while Izhar Ibrahim is the Director of Political Affairs of the Indonesian Foreign Ministry.

During the welcoming address on Wednesday, Malaysia, through Kamil Jaafar, had presented a similar proposal, which states that "when no solution can be found to settle the dispute through a bilateral meeting..."

He said," We are of the opinion that this is the best method in settling the issue based on the principle of justice and international law."

Malaysia hopes that Indonesia will agree to the proposal, which is based on the prevailing situation of security, prosperity, and peace between the two countries; it also hopes to further enhance the existing friendly relations.

He said, "I hope that Indonesia can announce its stand concerning Malaysia's proposal at an appropriate time soon."

Replying to newsmen, he said Malaysia had decided on the ICJ as its choice because it was the best choice and this was not meant to overlook ASEAN or any other sources.

He said,"In our opinion, other mechanisms will be time-consuming and we do not want this issue to linger on and pose a problem for the two countries."

Sipadan and Ligitan islands are two islands situated in the Makassar Strait along the boundary of east Kalimantan and Sabah (East Malaysia).

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Sipadan Island is a separate island about 50 square meters (approximately one-fourth the size of west Jakarta), while the size of Ligitan Island, which is a coral atoll, is about 18,000 square meters. Both islands are situated geographically on the 04.10 north latitude.

Third-Party Issue Discussed

BK0909144594 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 9 Sep 94

[Text] Indonesian and Malaysian officials have ended three days of talks on the disputed islands of Sipadan and Ligitan without reaching agreement on the mechanisms to settle the issue. Malaysia said it believes a binding decision should be sought from The Hague-based International Court of Justice, while Indonesia says for a bilateral solution [words indistinct] the regional arbitration mechanism.

Foreign Ministry Secretary General Tan Sri Abdul Kamil Jaafar said in his closing speech that Malaysia is certain that an authoritative and neutral third party which can settle the issues of Sipadan and Ligitan in a peaceful and speedy way is the International Court of Justice. He told a press briefing later that a study conducted by Malaysia offers various mechanisms that could settle the dispute, pointing to the court as the most appropriate one.

Indonesian delegation chief Izhar Ibrahim was of the opinion that at present he does not yet feel the need to involve a third party in efforts towards a settlement of bilateral problems between the two countries.

First Medical Military Contingent Sent to Bosnia

LD1109082694 Melbourne Radio Australia in English 0700 GMT 11 Sep 94

[Text] Indonesia has sent the first 62 members of a contingent of medical military personnel to serve with United Nations forces in Bosnia-Herzegovina. A military statement said the other 157 members of the contingent would be sent on 26 September. The Indonesian personnel will include surgeons, dentists, and environmental health specialists. They are due to serve in Bosnia for six to nine months.

Laos

SRV People's Supreme Court Delegation Arrives

BK0909124794 Vientiane KPL in English 0901 GMT 9 Sep 94

[Text] Vientiane, September 9 (KPL)—A delegation of the People's Supreme Court of the Socialist Republic of Vietnam led by Phan Hung, president of the court, arrived here yesterday on a one- week long official visit to Laos, reports today "VIENTIANE MAI" newspaper.

At 1500 hrs, a meeting was held at Lan Xang Hotel between the Vietnamese delegation and the delegation of the People's Supreme Court of the Lao PDR [People's Democratic Republic] headed by its president, Ket Kiattisak, reports the newspaper.

The two sides exchanged experience in the operation of the People's Supreme Court of each country and hoped to expand the ties and cooperation between the two courts, says the daily.

During the Laos visit, the visitors are scheduled to call on Lao party-state leaders, visit some economic, cultural, historical sites in Vientiane Municipality, Vientiane and Champassak Provinces, says the daily.

Propaganda, Training Board Delegates Visit SRV

BK1009083194 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 9 Sep 94

[Text] From 30 August to 8 September, the delegation of the Propaganda and Training Board of the Lao People's Revolutionary Party Central Committee [LPRP CC] headed by Son Khamvanvongsa, member of the LPRP CC and deputy chairman of its Propaganda and Training Board, paid a visit to the SRV at the invitation of Ha Dang, member of the Communist Party of Vietnam Central Committee [CPV CC] and director of its Ideology and Cultural Board.

During the visit, the delegations of the two sides exchanged views and drew experiences from each other in the propaganda and training field and on ideological work, which were thought to be beneficial to both sides.

In addition, the delegation of the LPRP CC Propaganda and Training Board, also visited the Nhan Dan newspaper office, Thanh Hoa and Nghe An Provinces, and the mausoleum and birthplace of President Ho Chi Minh, where they were warmly welcomed by the provincial party committees and ideology and cultural boards of those provinces.

DPRK's Kim Chong-il Greeted on National Day

BK0909080994 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 9 Sep 94

[Joint message of congratulations from Comrade Khamtai Siphandon, chairman of the Lao People's Revolutionary Party Central Committee and chairman of the Central National Defense and Public Security Maintenance Committee, and Comrade Nouhak Phoumsavan, president of state, to Comrade Kim Chong-il, chairman of the National Defense Council of the DPRK and supreme commander of the Korean People's Army; sent to Pyongyang on 9 September 1994]

[Text] On the 46th anniversary of the DPRK national day, on behalf of the party and government of the Lao People's Democratic Republic [LPDR] and the multiethnic Lao people, and in our own names, we would like to extend our best wishes to you, comrade, and, through you, to the government and entire fraternal Korean people.

Over the past 46 years, under the talented and clear-sighted leadership of the Workers' Party of Korea headed by the great chairman, Comrade Kim Il-song, the fraternal Korean people have made great achievements in fulfilling the tasks

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of defending, building, modernizing, and making the country progressive while, haveing resolutely fought for the peaceful reunification of the country.

We are very proud to see that the relations of friendship, solidarity, and cooperation between the LPDR and the DPRK have been incessantly developed and enhanced for the common interests of the peoples of our two countries, and for peace, stability, and cooperation in this region and the world.

On this auspicious occasion, we wish you, comrade, good health and glorious successes in fulfilling your esteemed tasks.

Foreign Minister Greets DPRK National Day

BK0909141094 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 9 Sep 94

[Message of congratulations from Comrade Somsavat Lengsavat, foreign affairs minister of the Lao People's Democratic Republic, to Comrade Kim Yong-nam, vice premier and foreign affairs minister of the DPRK, on the occasion of the 46th anniversary of the DPRK national day; sent to Pyongyang on 9 September 1994]

[Text] On the occasion of the 46th anniversary of the DPRK national day, I am very happy to extend my best wishes to you, comrade. I am firmly confident that the relations of friend ship, solidarity, and cooperation between the tw countries and peoples, especially between our two Foreign Affairs Ministries, will be incessantly developed in the interests of the Lao and Korean peoples and for peace, stability, and international cooperation.

On this auspicious occasion, I wish you, comrade, good health and success in performing your noble duties.

Philippines

Congressman Urges U.S. Air Agreement Abrogation

BK1209092394 Manila MANILA STANDARD in English 9 Sep 94 p 7

[Text] Representative Rodolfo R. Tingzon called yesterday for the scrapping of the bilateral air agreement between the Philippines and the United States as the Philippine Airlines [PAL] complained of "lopsided" agreements forged by the Civil Aeronautics Board [CAB] with three foreign airlines.

Tingzon (Lakas-NUCD [Power of the Nation-National Union of Christian Democrats] 2d district, Laguna) delivered a privilege speech proposing the creation of a joint legislative-executive committee to set a Philippine position and strategy on air agreements to arrive at a "fair and equitable new accord."

Noting that negotiations have been scheduled for the last week of October in Washington, D.C., Tingzon said that the existing RP [Republic of the Philippines]-U.S. agreement "puts the Philippines at a disadvantage, a situation that will worsen by October when its provisions for an 'open sky' policy granting U.S. carriers unlimited access to the Philippines takes effect."

At the hearing by the House Committee on Transportation and Communications chaired by Rep. Jerome Paras (Lakas-NUCD, Negros Oriental), a PAL official detailed in graphs how the air agreements concluded by Dr. Victor Limlingan, chairman of the Philippine panel, "disadvantaged the country into developing as a hub for international commercial aviation in Asia."

Ms. Doris Cuenca, assistant vice president for external affairs of PAL, said that as a result of the lopsided agreements, the cities of Seoul, Hong Kong, and Singapore have developed as hubs of operations by foreign carriers.

"This means that (by then) there will be no limit to the number of flights that can be operated by U.S. airlines within the Philippines," Tingzon said. "Armed with their built-in advantage, they will now have free rein to plunder our natural treasure."

As it is, he said, the agreement allows American carriers to fly from anywhere in the U.S. to any point in the Philippines and beyond virtually to any country (5th freedom rights) without conditions or restrictions, say, to stop and pick up passengers on intermediate points.

In contrast, a Philippine carrier has limited access to only eight cities in the U.S. with restricted intermediate stops en route as in Japan (six weekly) and mandatory stopover in Honolulu.

U.S. carriers also have domestic (cabotage) rights to carry local passengers between American cities, while Philippine Airlines has none, which would render say, a Honolulu-New York operation of PAL a "dead leg."

Tingzon said "all these restrictions rob you of the tools and flexibility you need to put up a lucrative commercial air service on the (RP-U.S.) route where flights are by nature very long-range and the investment required is considerable."

He chided the Civil Aeronautics Board in the way it conducts air bilateral talks lately. He said the "exceedingly generous CAB officials" cannot be trusted to protect the "national interest."

"The latest press statements from CAB officials on the U.S. negotiations do not give me much confidence that the true national interest shall be preserved," Tingzon said.

He said correcting the situation cannot be done through press statements but by terminating the present agreement and replacing it with a new and fair bilateral deal.

He said the U.S. Government must not view the abrogation of the bilateral agreement as a "hostile act" but rather as an inevitable opportunity to forge a better and lasting relationship.

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He said the Philippines must follow other countries like Thailand and France which have abrogated their air agreements with the United States, and other nations like Japan and Malaysia which are fighting for their sovereignty through an equitable air rights with the Americans.

The current RP-U.S. air accord was forged three decades ago at a time when the United States ruled the skies and the Philippines and other Asia-Pacific countries were still trying to get their flag carriers off the ground.

Presence of Indonesian Observers in South Viewed

BK1209034294 Manila THE MANILA CHRONICLE in English 8 Sep 94 pp 1, 2

[Text] President Ramos yesterday said he saw nothing wrong with having Indonesian military officers as observers in the implementation of the cease-fire agreement between government and secessionist forces in Mindanao.

"We need not be alarmed or disturbed" about the presence of Indonesian officers in the South [Mindanao], the president said.

Representative Roilo Golez, vice chairman of the House committee on national defense, had warned that sending Indonesian military observers to Mindanao was "too dangerous and too full of explosive portents."

Two senators also voiced their apprehension, citing a possible constitutional violation if the Indonesian officers are let in.

Senate peace and unification committee chairman Rodolfo Biazon said the presence of Indonesian officers "may be violative" of Section 25 Article 18 of the Constitution which bars the presence of military facilities and troops in the country following the expiration of the Philippine-U.S. bases agreement in 1991.

Senator Wigberto Tanada chastised the government panel negotiating with the Moro National Liberation Front (MNLF) for agreeing to allow Indonesian military men to act as peace observers in Mindanao without consulting the National Security Council and leaders of Congress. The Indonesians are due to arrive in two weeks. Although the Indonesian officers will not have any active military function while in the country, Biazon said the constitutional provision "does not discriminate as to (the) purpose" of their stay.

Biazon, presidential adviser to the government panel dealing with leftist rebels, also expressed concern that representatives of the Communist Party of the Philippines-New People's Army-National Democratic Front might be encouraged to demand similar terms in the future.

"Allowing the presence of these Indonesian military officers cannot be justified whether on the basis of a Mutual Defense Treaty for there is none (with Indonesia) on training exercise," Biazon added.

Tanada faulted government negotiators for agreeing to the visit of the Indonesians despite the constitutional prohibition. "Ang pagpasok ng foreign troops ay hindi basta-basta, mali 'yung pagpayag nang hindi kumonsulta sa NSC [National Security Council] at Congress leaders (The entry of foreign troops in the country should not be taken lightly; it's wrong to consent to this without consulting with the NSC and Congress leaders), " Tanada said.

The senator also asked why government cannot assure the successful implementation of the cease-fire agreement by tapping the services of local. [sentence as published]

Observers To Stay 'Indefinitely'

BK1209095894 Manila PHILIPPINE DAILY INQUIRER in English 9 Sep 94 pp 1, 12

[Text] Indonesian military observers who will monitor the government's cease fire with Muslim rebels in Mindanao will stay in the country indefinitely for as long as they are needed in the peace process, chief government negotiator Manuel Yan said yesterday.

He echoed President Ramos' assurances that the presence of foreign observers will not violate the Constitution or amount to intervention .

Yan said the Indonesians will merely observe if government troops and Moro rebels respect their cease fire agreement.

They will also resolve any complaint of violations.

The Indonesians will stay in the country for as long as the joint cease fire committee of the government and the Moro National Liberation Front [MNLF] needs them, Yan added.

"The joint cease fire committee will be there for as long as the peace talks exist and it depends upon the committee to say how long they (observers) will be here," Yan told the INQUIRER.

"They are not foreign troops to be sent here or deployed. They are just Indonesian officers who are invited here to make observations," he said.

During the second round of peace talks in Jakarta this week, the government and MNLF agreed on a foreign observer team to be dispatched to six provinces in Mindanao described as critical areas.

This was provided for in the interim cease fire agreement signed and implemented in November 1993. A joint press communique issued at the closing of talks on 5 September said "three officers of Indonesia" will be sent to Mindanao in the next two weeks to "perform supervisory/monitoring mission."

They will go to the provinces of Sulu, Basilan, Zamboanga del Sur, North Cotabato, Maguindanao and Sultan Kudarat.

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Earlier, Brig. Gen. Guillermo Ruiz said the team will be headed by the Indonesian military attache here.

Some legislators had earlier opposed the move, calling it "dangerous" and unconstitutional.

Paranaque Rep. Roilo Golez said the move could spur a diplomatic irritant between Indonesia and the Philippines.

Sen. Rodolfo Biazon said it violates the constitutional ban on foreign military presence.

Rightist peace negotiator Capt. Danny Lim described the plan as "an invitation to foreign intervention."

But Yan said the presence of the foreign observers would help in the implementation of the Mindanao peace process.

" 'They are necessary because there are reports of violations of the cease fire and who will act on that?" he said.

He said the Indonesians will "help" the RP [Republic of the Philippines]-MNLF joint cease fire committee and formulate procedures for resolution of violations.

He said the observers will "coordinate" with the cease fire committee and will also report to the Islamic Conference Organization (ICO), which mediates the peace talks.

Yan also explained that since Indonesia is the nearest country to the Philippines among the ICO member nations, it is in the best position to immediately send observers.

Observers could have come from other ICO members or its Ministerial Committee of Six but that this was not proposed during the talks.

'Top' Marine Official Comments

BK1209052294 Quezon City Radio Filipinas in English 0230 GMT 12 Sep 94

[Text] A top marine official said the arrival of three Indonesian officers who will monitor and observe the conduct of the cease-fire with the Moro National Liberation Front [MNLF] in Mindanao will not violate the Constitution. Brigadier General Guillermo Ruiz who is also the chairman of the joint cease-fire committee on the government side said the arrival of the three Indonesian officers as representatives of the Organization of Islamic Countries is stipulated in the agreement signed last week by the MNLF and the Philippine Government panel.

The arrival of the Indonesian observers in the country elicited mixed reactions from the senate saying it is a violation of the Philippine constitution. The senators were referring to a provision in the Constitution wherein foreign military bases and troops will not be allowed in the country unless ratified by the senate.

Ruiz said the observers in the cease-fire agreement is not included in the constitution and their or Indonesian presence was included in the joint communique of the GRP [Government of the Republic of the Philippines]-MNLF talks earlier held in Jakarta, Indonesia.

Thailand

Cambodian Attorneys To Defend Thais in Cambodia

BK1109120194 Bangkok Radio Thailand Network in English 0000 GMT 11 Sep 94

[Text] Nine Cambodian attorneys will be retained for the nine Thai nationals who have recently been charged with coup involvement in Cambodia. Minister of Foreign Affairs Prasong Sunsiri says Thai Ambassador to Cambodia Sakthip Krairoek has selected nine lawyers of Cambodian nationality, with skills and experiences, to help the Thais during the trial. Minister Prasong says the Ministry of Foreign Affairs will seek qualified Thais as companions for those nine Cambodian lawyers during the court session. He says the latest move is expected to speed up the case as well as to defend the rights of Thai nationals charged in Cambodia. Minister Prasong says that he will keep in contact with the Thai Embassy about the fate of all those Thais and that Thai authorities are ready to comply with the Cambodian Government's request to ban Khmer Rouge people from entering Thailand as soon as they are identified by the Cambodian Government.

Burma Stations Troops on Disputed River Islet

BK1209051794 Bangkok BANGKOK POST in English 12 Sep 94 p 3

[Text] An islet created by the overflow of the Moei River has sparked a conflict between Thailand and Burma after the Burmese authorities warned Thailand to remove its national flag and began moving troops to guard the area.

Task Force 34 Commander Maj-Gen Bunlu Chittawikun said heavy rain in the past two months caused the river to overflow and changed the water course, leaving a 1,100-rai island in the middle of the river in Mae Sot district.

More than 100 farmers have reportedly lost a total of 400 rai of agricultural land and have been unable to reclaim their property.

Maj-Gen Bunlu, chairman of the Local Thai-Burmese Border Committee, has officially told the Burmese that the island is part of Thailand.

He earlier ordered that Thai national flags be planted on the island and border patrol police be stationed to ensure safety for some of the farmers who tried to slip into the area.

Burmese forces from Palu Camp then insisted that Thai citizens and police personnel must leave the island immediately to prevent conflict which could lead to bitter military clashes, Maj-Gen Banlu said.

He said a meeting between Thai and Burmese authorities on August 24 proved unsuccessful after the Burmese refused to acknowledge that the island belonged to Thailand.

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They cited an agreement on Thai-Burmese borderline signed in 1868 indicating that land created by the river must be regarded as a natural border shared by the two countries.

Third Army Region Commander Lt-Gen Yingyot Chotiphimai believes the problem will be settled peacefully through compromise after a meeting with the Burmese authorities next month in Taunggyi, Shan state.

Officials have been told to prepare land ownership documents on the island and other information to substantiate Thailand's claim over the "floating" territory.

Army Chief Denies Nepotism in Military Reshuffle

BK1209074494 Bangkok THE NATION in English 12 Sep 94 p A3

[Text] Despite his denial that nepotism was an influential factor, Army Commander in Chief Wimon Wongwanit will see his power base become significantly consolidated when the recently-announced military reshuffle takes effect in October.

As expected, the remnants of the "old power clique" affiliated with the strongmen who lost grip on command in the wake of the May, 1992 political upheaval further fade into oblivion as a result of the reshuffle. Loyalists of those awarded top posts after that crisis win major promotions.

Army Chief of Staff Gen Phaibun Emphan is to become deputy commander in chief, which will improve his chances of succeeding Wimon as Army chief. Wimon retires next September.

Phaibun is a close friend of Wimon and worked closely with him when they served in Lop Buri province—Phaibun as commander of the Army Weapons Production Control Centre and Wimon as commanding general of the Special Warfare Command Unit.

Phaibun served as an officer attached to the Army during the tenure of former Army chief Gen Suchinda Khraprayun.

Gen Suthep Siwara, one of Wimon's former classmates, will become Army chief of staff; Army Comptroller Lt Gen Sakan Sathityutthakan will become general staff chief officer for the Army commander in chief, and Second Army Region commander Lt Gen Arnuphap Songsunthon will become assistant Army chief.

Army officers in Lop Buri province are also being promoted to key positions, including Chunlachomklao Royal Military Academy superintendent Lt Gen Bundit Malaiarisun, who will become 1st Army Region commander; Special Warfare Command Unit commanding general Lt Gen Surayut Chulanon will become 2nd Army Region commander; Lt Gen Surachet Dechatiwong, who is attached to the Army will become 3rd Army Region commander and Lt Gen Chalongchai Yaemsaso, now also attached to the Army, will become assistant chief of staff for operations.

Other officers who are close to Wimon are also promoted.

General Staff officer Lt Gen Phunsak Nakphan will become Army comptroller; Director of Operations Maj Gen Chokchai Hongthong becomes assistant chief of staff for operations; Director of Logistics Maj Gen Phatthana Phutthananon becomes assistant chief of staff for logistics; Director of Intelligence Maj Gen Thirawat Phatthamanon becomes assistant chief of staff for intelligence, and 11th Army Area commander Maj Gen Amphon Sawetserani is to become deputy 1st Army Region commander.

One big surprise was Wimon's decision to promote the Institute of Army Academics commandant, Lt Gen Chainarong Nunphakdi, who was involved in the May 1992 military crackdown, to assistant Army chief of staff.

Chainarong, a Class 11 graduate, was First Army Region commander when his troops joined the brutal May crackdown.

He has four more years before his mandatory retirement, enough time to move up to the rank of Army chief of staff.

Wimon said he took into account proficiency, and not "matters of the past", in transferring military officers. He also strongly denied that Army promotions were influenced by nepotism.

Class 9 officers are promoted to some key positions. The 1st Army Region commander, Chettha Thanacharo, will become assistant army chief, 3rd Army Corps commanding general Lt Gen Panthep Phuwanatnurak will become 4th Army Region commander, Chunlachomklao Royal Military Academy deputy superintendent Maj Gen Awut Wiphataphan will become the academy's superintendent, and 3rd Army Corps deputy commanding general Maj Gen Thanom Watcharaphut will become the corps' commanding general.

Some of the so-called "0143" officers, who are closely linked with the generals who fell from grace after the May bloodbath, remain in the Office of the Permanent Secretary for Defence. Retiring Permanent Secretary for Defence ACM [Air Chief Marshal] Suwit Chantharapradit had unsuccessfully pushed for his close friend, Deputy Permanent Secretary for Defence Wirot Saengsanit, to succeed him. Deputy Supreme Commander Gen Prasoet Sararit is to become the new permanent secretary for defence.

Wirot is a Class 5 graduate and has close relations with top officers accused of being involved in the May upheaval.

ACM Roengchai Sanitphan, an "0143" officer attached to Air Force headquarters, is to succeed retiring Gen Itsarapong Nunphakdi as deputy permanent secretary for defence.

Roengchai is close to former supreme commander ACM Kaset Rotchananin, a key leader of the National Peacekeeping Council (NPKC) responsible for the May 1992 bloodshed.

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Retiring Supreme Commander Woranat Aphichari, who returned to power owing to the "0143" fall, has promoted his loyalists to key positions in the Supreme Command and the Air Force.

Deputy Supreme Commander Gen Watthanachai Wutthisiri, who is close to privy councillor Gen Prem Tinsulanon, is to succeed Woranat as the new supreme commander. Watthanachai said he would continue Woranat's policy of keeping the armed forces out of politics.

Other officers close to Woranat include National Security Command Director Gen Suphit Wora-uthai, who will become deputy supreme commander; ACM Phanom Thiratwathi, an officer attached to Air Force headquarters, will become deputy supreme commander.

Phanom was blocked by former supreme commander ACM Kaset Rotchananin from promotion when the NPKC was in power.

Woranat has also promoted Joint Operations director Lt Gen Oraphan Watthawibun to be adviser to the National Defence Studies Institute; Supreme Command's Director of Education Lt Gen Pricha Rotchanasen to be adviser to the Supreme Command; Support Services Department director Lt Gen Thotsaphon Songsuwan become adviser to the National Defence Studies Institute.

The retiring supreme commander purged Air Force officers close to former supreme commander Kaset.

Air Force chief ACM Siriphong Thongyai, believed to be close to Woranat promoted assistant Air Force chief ACM Charun Wutthikan to succeed ACM Prachum Chaisiri as deputy Air For chief; Chief of the Air Staff ACM Kriangkrai Sinthwanon to become assistant Air Force chief and deputy chief of the Air Staff Air Marshal Amom Naeomali to become chief of the air staff.

Deputy Chief of the Air Staff Air Marshal Prachoen Bunnak is to be general staff chief officer to the Air For commander in chief; assistant Chief of the Air Staff for Intelligence Air Marshal Thananit Niamthan becomes deputy chief the air staff.

Air Marshal Wira Siprasoet, assistant chief of the air staff for logistics, will transferred to an inactive post at Air For headquarters. Wira has been in conflict with Air Force chief Siriphong.

Vietnam

Ex-U.S. Admiral Returns on Research Trip

BK1009160594 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 10 Sep 94

[Report with portions recorded]

[Text] Dear friends: During its war of aggression against Vietnam, the U.S. Army committed a very barbaric crime, that is, the launching of a toxic chemicals spraying program in south Vietnam. Up to now the consequences of these toxic chemicals have not been overcome. Yesterday, ex-U.S. Admiral Elmo Zumwalt, who once held an important role in this program, returned to Vietnam. A Radio Voice of Vietnam correspondent reported on this visit as follows:

Among those Americans returning to Vietnam after 1975, ex-U.S. Admiral Elmo Zumwalt is the one who held the highest military position in Vietnam. This ex-U.S. admiral returned to Vietnam yesterday, 9 September, with a pensive look because, as the Orientals put it, disaster had fallen upon his family. Sometime before 1970, he himself ordered the use of herbicide and defoliant in south Vietnam, in certain parts of Cambodia, and in lower Laos. His son, Lieutenant Jimmy Elmo Zumwalt also known as [nickname indistinct] who was then the commander of a patrol boat operating along various rivers and canals in the Mekong River Delta, was infected with toxic chemicals. When the war was over, Jimmy rejoined his family in the United States. And then (Emmuel) Zumwalt, the third generation of the Zumwalt clan was born. [Words indistinct] was very difficult, a typical evidence of the second generation of those infected with Agent Orange toxin. In 1985, Jimmy himself also suffered from cancer [words indistinct] and died in 1988.

The purpose of this return to Vietnam by ex-U.S. Admiral Zumwalt is to discuss cooperation in the study of the consequences of those chemicals used during the war.

This morning, 10 September, while meeting the National Committee To Examine the Effects of Chemicals Used During the Vietnam War, he said:

[Begin Zumwalt recording in English fading into Vietnamese translation] I feel responsible for this issue. I would like to meet and work with those who went through the war. I hope to make my contribution to improving the relations between the two countries. [end recording]

Doctor (Abdul Settler), a professor of New York University, who is accompanying the ex-U.S. Admiral, said:

[Begin (Settler) recording] Traveling along with us is Mr. (Peter). We represent all three armed services—Navy, Infantry, Marines—which were once present in Vietnam. Vietnam has a relatively large number of people infected with Agent Orange toxin. The consequences of this have lingered in the environment for a long period of time. We would like to examine this situation. On this occasion, we have also brought along the analytical results of 1,800 blood samples that Vietnam's Committee 10-80 obtained from those Vietnamese war veterans who once lived in areas sprayed with Agent Orange toxin. The results show that the proportion of dioxin in a number of people is rather high even at this time. [end recording]

He also made known that on 13 September an (?environment) organization will announce the results of the study on the effects of dioxin on human bodies.

Ex-U.S. Adminiral Elmo Zumwalt and his delegation will remain in Vietnam for a few more days. The delegation will visit and examine some projects designed to overcome the

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consequences of toxic chemicals used during the war such as the Center for the Protection and Caring of Defective Children, the "K" Hospital, and the Center to Restore Afforestation in Areas Contaminated With Toxic Chemicals under the Institute for the Examination of Forest Vegetation.

The war was over nearly 20 years ago and relations between Vietnam and the United States are being brought back to normalcy. Although the past must be closed, there are some things that cannot be forgotten if they are not overcome, including the consequences of the toxic chemicals used by the United States during the Vietnam war.

Received by President Le Duc Anh

BK1009160894 Hanoi VNA in English 1406 GMT 10 Sep 94

[Text] Hanoi VNA Sept. 10—President Le Duc Anh received here this afternoon Mr Elmo R. Zumwalt, former admiral of the United States' navigation force, now on a working visit to Vietnam.

During the reception, Mr Zumwalt introduced to the Vietnamese president the research on the orange chemical in the US (?under) the joint US-Vietnamese cooperation programme in the research of the Agent Orange's consequences. He also expressed his wish for stronger cooperation from Vietnamese scientists' in this programme in order to practically overcome the chemical's consequences, thus contributing to the promotion of the friendship between the American and Vietnamese peoples.

President Le Duc Anh, for his part, spoke highly of the goodwill visit by Mr. Zumwalt and his party as well as their cooperation with Vietnam in the subject. The cooperation between Vietnam and the US in this field would make active contributions to the mutual understandings between the two nations and would certainly pave the way for their cooperation in other domains, the Vietnamese leader stressed.

U.S. War Veteran Delegation on Working Visit

BK1209082194 Hanoi VNA in English 0631 GMT 12 Sep 94

[Text] Hanoi VNA Sept. 12—A delegation of the Vietnam Veterans of America (VVA) headed by its President, Mr. James Brazee, arrived here on Sept. 6 for a ten-day working visit to Vietnam.

While here, the US delegations had working sessions with the Vietnam War Veterans' Association,the Foreign Ministry, the Union of Peace, Solidarity and Friendship Organizations and other concerned offices.

Mr. James Brazee has returned documents and belongings of Vietnamese soldiers who sacrificed during the Vietnam war and said that VVA will appeal US war veterans to continue providing things relating to Vietnamese armymen to the Vietnam War Veterans' Association.

Commentary on Cambodian Treatment of Vietnamese

Ranariddh Assures No Abuse of Law

BK0909040194 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 8 Sep 94

[Text] Cambodian First Prime Minister Norodom Ranariddh sent a letter on 5 September in reply to Prime Minister Vo Van Kiet's letter to the two Prime Ministers of Cambodia on the new Cambodian immigration law adopted recently by the Cambodian National Assembly.

The reply assured that the spirit and letter of the law is not aimed at any specific group of foreigners. As a result, the possibility of acts such as the rounding up, purging, and mass expulsion of Vietnamese residents living peacefully in Cambodia will never occur. Prime Minister Ranariddh also asserted that in implementing this law, the Cambodian Government pledges that it will not only seriously abide by the international laws and practises but will also pay special attention to the traditional friendship and the time-honored good neighborly relations between Vietnam and Cambodia, which share a border and river. The Royal Government of the Kingdom of Cambodia will continue to uphold the policy on resolving the remaining issues between the two countries through negotiations.

In this spirit, Prime Minister Ranariddh stated that the Cambodian working group of experts on Vietnamese residents as agreed upon by the two countries in the joint Vietnam-Cambodia communique in April 1994, will be set up soon. He proposed that Vietnam send its working group of experts to the Kingdom of Cambodia after the Cambodian group has been set up.

On 8 September, Prince Norodom Sirivut, deputy prime minister and minister of foreign affairs and international cooperation also sent a letter of reply to Vietnamese Foreign Minister Nguyen Manh Cam on the new Cambodian immigration law.

Ranarridh's Remarks Hailed

BK0909135994 Hanoi Voice of Vietnam in English 1000 GMT 9 Sep 94

[Station commentary]

[Text] As reported earlier, the Cambodian first prime minister, Ranariddh, has outlined the Cambodian Royal Government's policy for implementing the new immigration law. The Cambodian prime minister, in a letter, told Vietnam's Prime Minister Vo Van Kiet no purges or large-scale deportation of Vietnamese nationals living in Cambodia would be allowed.

Voice of Vietnam has this to say:

In his letter, the Cambodian prime minister pointed out that the spirit and the letter of the immigration law did not target any particular category of people, and while implementing it the Cambodian Government would strictly observe the international laws and practices, and at the

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same time attaching importance to the traditional friendship between Vietnam and Cambodia. These words are in accordance with the aspirations of the two peoples of both countries.

But the Cambodian immigration law has created international concerns. This is because Vietnamese and foreign nationals living in Cambodia could be subjected to ethnic cleansing, purges, and human rights violations. Vietnam is sympathetic to the problems facing Cambodia that communities of foreign residents can create. But it is a negative move to create a new law which ostracizes the Vietnamese community living there. The Vietnamese residents themselves have made considerable contributions to national reconstruction and to the preservation of a peaceful life in Cambodia. Moreover, Vietnamese nationals in Cambodia have together with Khmer people shared sufferings at the hands of the Khmer Rouge, and then together with the Khmer people overthrowing that genocidal regime.

How to treat the Vietnamese nationals is not a political question but a question of national morality. Vietnam welcomes the commitment of Prime Minister Ranariddh that there would never be any purges or violent deportation of Vietnamese residents. It is hoped these words can be matched with concrete deeds to ensure the stable and happy life of the Vietnamese nationals as well as those of other Cambodian citizens.

Papers Comdemn 'Terrorist Acts'

BK1209081794 Hanoi VNA in English 0651 GMT 12 Sep 94

[Text] Hanoi VNA September 12—The national daily NHAN DAN and the army paper QUAN DOI NHAN DAN today strongly condemn the Khmer Rouge's recent bloody terrorist acts against Vietnamese nationals in Cambodia.

In a commentary, NHAN DAN says that the Khmer Rouge's recent terrorist act and brutal massacres against the Vietnamese nationals in Cambodia have aroused concern and indignation among the public. The paper recalls that on September 6, more than 30 Khmer Rouge men on board motor boats attacked a fishing village of the Vietnamese nationals on Tonle Sap, Kandal Province, 30 km from Phnom Penh, killing 4 Vietnamese wounding 5 others including two children, and taking away their valuable property including gold, TV sets, boat engines.

The paper continues :'These Khmer Rouge's brutal acts seriously violated the Paris Agreement on Cambodia and other international conventions on human rights in which the Cambodian parties committed themselves to respect for, and the international laws on the foreigners' rights to normally and legally work and live in other country's territory, and undermined the friendship and neighbourliness between Vietnam and Cambodia'.

'Note-worthy is that this bloody crime took place immediately after Cambodia's National Assembly adopted the country's new immigration law,' the paper stresses.

The paper goes on: 'We strongly condemn the Khmer Rouge's brutal acts against the Vietnamese nationals in Cambodia, and demand that the Cambodian authorities investigate into the case, bring the culprits to the court and give due punishments to the killers, at the same time have effective measures in order to stop all acts of terrorism and massacre and other hostile activities against the Vietnamese nationals in Cambodia'.

In conclusion, the paper calls on the international community to condemn this massacre, thus contributing to the prevention of similar crimes against the Vietnamese in Cambodia.

In a commentary, the Army newspaper says that so far, the Vietnamese Government and people have always treasured the traditional friendship and close neighbourliness between Vietnam and Cambodia. At present, when the world and the region undergo far-reaching changes, Vietnam is still doing its best to consolidate and develop those relationships between the two countries. However, the paper says, 'We hold that the new immigration law of Cambodia is seriously ruining the sentiment, aspirations and interests of the people of Vietnam and Cambodia'.

The Army's paper recalls that on September 5, Cambodia's First Prime Minister Ranariddh affirmed in his reply to Prime Minister Vo Van Kiet's letter that the Vietnamese nationals in Cambodia would never face screening and mass deportation. Earlier, Cambodian King Sihanouk had also assured President Le Duc Anh that he himself had requested the Cambodian National Assembly to consider and revise any inappropriate provisions of the immigration law. Chairman of the National Assembly and acting head of state Chea Sim also expressed his similar viewpoints. 'We take note the above-said responding attitudes and commitments of the Cambodian leaders but we remain worried because inappropriate provisions of the law still exist,' the paper says.

Protection of Nationals Urged

BK1209032194 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 10 Sep 94

[Unattributed commentary: "Guaranteeing Safety for Vietnamese Nationals is Our Urgent Need"]

[Text] Following the approval of the Immigration Law by the Cambodian National Assembly on 26 August, two incidents involving the massacre and persecution of Vietnamese nationals took place in Cambodia. The Khmer Rouge kidnapped four Vietnamese fishermen in Kompong Chhnang on 27 August. Then a group of gunmen clad in Cambodian uniforms opened fire and killed four Vietnamese fishermen in Kandal Province on 6 September. This does not include a number of incidents involving extortion and threats against Vietnamese nationals. There have been incidents in the capital city of Phnom Penh in which Vietnamese nationals were threatened and forced to sell their houses at low prices and return to Vietnam. A number of local police officers took advantage of this situation to extort money from Vietnamese nationals.

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Noteworthy is a dangerous incident involving the massacre of Vietnamese nationals on 6 September because it was carried out by a large group of gunmen in a bid to terrorize, kill, and cause confusion and fear among our nationals in Cambodia.

From the very outset when the Cambodian National Assembly discussed the Immigration Law and then decided to approve it, public opinion in our country and among international organizations in Cambodia expressed deep concern about the move. The reason is because the actual target of the Immigration Law of the Cambodian National Assembly is the Vietnamese community residing in Cambodia. This document bears the full mark of ethnic discrimination and poses the dangers of massive terrorizing, purges, and forcible repatriation of Vietnamese nationals who live and work in Cambodia.

The two incidents involving the massacre and persecution of Vietnamese nationals, as well as repeated threats and extortion against them in the past several days, show that public opinion was correct in its forewarnings. The regrettable incidents that may fall upon our Vietnamese residents in Cambodia following approval of the Immigration Law are no longer possibilities, but actual facts. Following the two incidents involving the massacre and persecution of our nationals on 27 August and 6 September, the Vietnamese Embassy in Cambodia sent notes to the Cambodian Ministry of Foreign Affairs vehemently denouncing and condemning these terrorist acts and urgently requesting the competent authorities of the Royal Government of Cambodia to take strong and effective measures to bring the culprits to face justice, and to protect the rights of Vietnamese nationals to work and live peacefully in Cambodia.

As everyone already knows, the Khmer Rouge have always adopted a hostile policy toward Vietnam, nurtured hatred against Vietnamese nationals, and undermined the friendship and neighborliness between Vietnam and Cambodia. It is certain that the Khmer Rouge have rejoiced, if not openly then inwardly, at the fact that the Cambodian National Assembly has approved an immigration law which contains provisions that public opinion believe may lead to massive terrorizing, purges, massacres, and expulsions of Vietnamese nationals from Cambodia. They have used this law as an instrument to terrorize, massacre, and expel Vietnamese nationals, as well as foment national hatred and undermine the friendship and good neighborliness between Vietnam and Cambodia. Actual developments in Cambodia over the past few days are clear evidence of this fact.

Prompted by deep concern over the Vietnamese community in Cambodia, we earnestly request the Royal Government of Cambodia and other authoritative organs there to take immediate and resolute measures to guarantee the safety of Vietnamese nationals so they can work and live peacefully like other foreign nationals in the country.

Government Gives Details of 30-31 Aug Meeting

BK1009142694 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 10 Sep 94

[Text] This afternoon, 10 September, Government Office Minister Le Xuan Trinh held a regular news conference at the Government Office with the attendance of many editors and journalists working for mass media agencies in North Vietnam.

Minister Le Xuan Trinh informed them that in its 30-31 August meeting the government approved the planning for the implementation of the seventh party Central Committee's Seventh Plenum Resolution on national industrialization and modernization, with the main points as follows:

1. A long-term plan for socioeconomic development from now until 2000 and on to 2010 must be established and perfected for the entire country and for all sectors, localities, and economic areas to accelerate national industrialization and modernization in one step.

2. A five-year socioeconomic development plan for 1996-2000 to prepare for the eighth party congress must be established. In the preparation process for the 1995 plan and the five-year plan, conceptions, goals, and policies for the industrial and technological development outlined in the Seventh Plenum Resolution must be concretized.

3. Policies, laws, and legal documents relating to the development of human and capital resources and policies for various economic sectors, markets, technologies, natural resources, the environment, cities and city planning, and state administration reform must be established and perfected.

Regarding the national socioeconomic situation in the past two months, Minister Le Xuan Trinh stated that generally speaking, it had been fairly good. The planting of the summer-autumn rice crop was exceeding its target Food production was enough for domestic and export demand. Aquacultural catches and breeding had increased. Light industry, despite some difficulties, had made some progress. Heavy industry had been better than the first six months. The national budget collection and spending had improved. Market prices had been controlled.

However, the minister also said that in the last two months deforestation had not been decreasing. Illegal exploitation of and trading in timber was still common. The prevention of damage caused by yellow snails was not fast enough. And the import and export of steel had not been adjusted. These are things that need to be overcome.

Minister Le Xuan Trinh also took time to announce the fine results of the official visits to Vietnam by the Japanese, ROK, and Indian prime ministers. The visits have provided a healthy stimulus for businessmen in those countries to increase their investment in and cooperation with Vietnam.

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